REFORMING MEDITERRANEAN AND MIDDLE EASTERN COUNTRIES: WIDER EUROPE, GREATER MIDDLE EAST OR THE ALEXANDRIA STATEMENT? A CRITICAL ASSESSMENT

MARTIN JERCH

Introduction

The Promotion of democracy is a fundamental pillar of foreign policies of Western Nations. These policies varied in significance and intensity over time and have shifted with changing aims and doctrines (Aliboni, 2004). In the case of the European Union (EU), the Nice Charter on Fundamental Rights establishes that the Union is built upon the principles of democracy, freedom, and respect for human rights. In consequence, the core objective of the EU's external policy is the promotion of democracy, the rule of law, and the respect for human rights.

Over the last few years, the region of the Middle East and North Africa has received more and more attention from the EU and its member states as well as from the USA. This is due to the September 11th 2001 terrorist attacks and the growing threat perception coming from international terrorism with motivation rooted in radical Islamism. Thus, actually an intensifying trend concerning the promotion of democracy can be detected. Testimony to this intensification are documents and proposals such as the *Greater Middle East Initiative*, that recently was converted during the G-8 Sea Island June 2004 summit into the *Broader Middle East and North Africa Initiative*, the *EU's Strategic Partnership with the Mediterranean and the Middle East* and the *Wider Europe - New Neighbourhood Policy*. The main issues of all these proposals and initiatives are to reform and to democratise the region, because the lack of development is nowadays perceived as a fruitful terrain for terrorist activity and support. All these demands for more democracy are backed by the UNDP Arab Human Development Reports, entirely written by Arab scholars, that underline that the lack of development of the Arab World is

fundamentally due to the freedom, knowledge and women empowerment deficit.

As far as concerns academic discussion, a fundamental shift in the debate on "democracy" can be appreciated. While only some years ago the discussion centred on the issue of the compatibility of Islam and democracy, current discussion focuses on the questions of "how to carry out economic and political reforms?" on "how to democratise the countries in the region?" or "how to promote democracy?"

The aim of this paper is threefold: first, different approaches to reforms and democracy will be discussed in the light of the reform and liberalisation experience of the Arab countries. After this, different reform approaches such as Wider Europe, the Greater Middle East Initiative or the Alexandria Statement will be assessed, having in mind the experiences with reforms and liberalisation of the Arab countries. And in the last section of this paper, an alternative reform proposal will be designed.

One of the most important findings of my study is that most of the proposals recently presented pay no attention to the lessons learned from the experience with reforms and liberalisation in the region. In order to introduce effective and sustainable reforms, a synergy of the different approaches is necessary. Stated differently: two different approaches to promote democracy and reforms in the Arab countries can generally be identified: a political one and an economic one. Most of the initiatives are based on the economic approach. But lessons from liberalisation process in the region indicate that economic approaches hardly work. Thus, to get the reform process and democratisation right, a political approach is going to fit much better. And to make this political approach work effectively, the creation of a regional institutional umbrella framework is necessary. This is the subject of the last part of this paper.

Democracy-Promotion Strategies

It is difficult to find the ideal way and appropriate instruments for encouraging the transition from an authoritarian to a democratic political regime. Concerning the transition of the countries in the Arab World, more and more scholars are proposing a gradual approach to reforms and to democratisation due to the fear that immediate elections and a brusque transformation of the political *status quo* would lead to a victory of Political Islam and that this in consequence would challenge regional stability and Western interests in the region.

In general, we can differentiate two approaches, an economic and a political one (Langohr, 2002). But, before describing briefly each approach, it is very useful to make a distinction between "political liberalisation" and "democratisation" as Daniel Brumberg (2004) has suggested: while "democracy" refers to rules, procedures and political institutions through which the citizens express regularly their political will, "political liberalisation" relates to expanding freedoms of the press and the free expression of civil society and a pluralist political system. As Brumberg states, it is important to have in mind that political liberalisation is a necessary but in no way sufficient condition for democratisation. There is no empirical evidence that in the Arab World political liberalisation will lead automatically to democratisation, as I will discuss later.

Democracy-Promotion through Economic Reforms

One idea is that economic liberalisation will lead through economic development to political liberalisation and then to democratisation. In other words, the core driver of political change is probably economic progress, because economic progress would help to establish a middle class that claims more political participation. According to this view, economic reforms are necessary for the creation of a real independent private sector and the reduction of the region-predominant corporatist states. Instruments of this democratisation strategy are economic reforms, free trade, and programs of civil society-strengthening activities. In this sense, it is a so-called bottom-up or demand-side democracy promotion

approach that means that political change will be introduced due to demands from society. The emerging middle class and a stronger civil society then become important agents of a slow reform process, based on demands for more participation. The EU, and also the US, favour this reform model because it avoids that the Arab World suffer profound destabilising changes. A result of progressive liberalisation is the establishment of so-called liberalised autocracies or semi-authoritarian regimes as in Morocco, Jordan or Egypt.

Concerning this economic reform focus, two major scenarios put into question the viability of this approach in the Arab context. The first scenario refers to a situation where, despite all possible economic reform measures carried out, there is no significant improvement of the countries national economic performance. Gambill (2001), for instance, argues in the Syrian case, that obstacles to economic reform are political in nature, and that economic liberalisation must go hand in hand with some kind of political liberalisation. The reason for the bad economic performance of most of Arab countries is above all political in origin and can be found in the role of the state in economic life.

Main Obstacles to Economic Development in the Arab World

The main obstacles in the countries of the Arab World are basically bad institutional performance and structural factors (Rodrik, 1999). The growth differences of Arab economies are attributed to the capital inefficiency, an endemic problem of all the countries in the region. They are associated with the strong role of the state in economic life and the *de facto* destination of the capital flows: public investment and projects with low productivity (Bisat, *et.al*., 1997; Page, 1998). A high level of protectionism and the lack of world market integration are two additional points that help to explain low economic development performance and the low international competitiveness of Arab economies (El-Erian, *et.al*., 1995). The near absence of institutions that promote private investment as well as the lack of development of private sector activity is another common feature of the political economy of the region (El-Badawi, 1999; Joffé, 1997).

In order to grasp the reasons of the Arab development deficit, a closer look at the role of the state in economic life is important. A starting point for this closer look could be the statement of Ian Roxborough, who claimed - after a review of the theoretical contributions on development - that *"[t]o each form of economic development there corresponds a particular form of politics and form of state apparatus"* (quoted in Murphy, 1999:12). In other words, Roxeborough argues that the size as well as the form of state apparatus as well as its relation to society is determined by the moment of economic development in which the state in question finds itself.

In addition to this first statement is the observation of Lorca and Escribano (1999), who pointed out that development strategies applied by the Arab governments during the last decades go together with the strategies applied by other developing countries and present at the same time the paradigms of preponderant economic thought. Nevertheless, the main differences between the Arab World's industrialisation strategies and those of the rest of the developing world is, that while in the major part of the developing world one strategy was completely substituted by another, the particular Arab factor is that these new strategies were introduced without the total abandonment of the previous ones. Thus, one of the major problems if not the major problem of Arab economic development is that Arab leaders did not completely adopt the new strategies. For example, an export-led industrialisation strategy which emphasises the crucial role of private sector activity but at the same time maintains a bureaucratic apparatus that belongs to an import-substituting industrialisation strategy is doomed to fail.

Coming back to statement of Roxborough, that to each stage of development corresponds a particular form of policy and state apparatus, this brief analysis shows that, despite the introduction of some liberalising and reforming instruments in the countries in question, the structure and behaviour of the state continues to be the main obstacle to economic *take-off* in this area.

Thus, political-institutional factors have a deep impact on economic performance and structural transformation as Mella

(2002) affirms for the case of the Maghreb, where reform processes are hindered by administrative slowness and complexity, but also by the resistance of economic agents, who are used seeking *no-production-rents.*

Despite the expressed will of all the countries to improve institutional capacity and performance, little has changed to limit the weight of the public sector and in the best of the cases lip-service to institutional reforms was paid. (Richards/Waterbury 1996: 250).

The second scenario assumes that economic reforms lead to economic liberalisation. According to the democracy-promotion strategy which focuses on economic reform, economic liberalisation goes hand in hand with political liberalisation and later democracy. But, Addeslam Maghraoui (2002) for instance, argues for the Moroccan case that liberal economic reforms have produced a kind of depoliticisation of Moroccan society; thus economic liberalisation worked there against democratisation. During the 1990s major parts of the region experienced economic liberalisation and economic imperatives where often used to justify delay in political reform. The Moroccan king Hassan II, for instance, asked the World Bank to draw up a report on the economic situation of the kingdom. He then used this report in a parliamentary session to give priority to economic reform over political reform or constitutional change (Maghraoui, 2002).

Economic Liberalisation and then? Experiences with the Survival Strategies of Arab leaders

In this section I will briefly analysis the experience with economic and political liberalisation made by the Arab countries. As stated above, policy planners in Brussels suppose that political development comes through economic liberalisation. However, some considerations about the reality in Arab states call this assumption into question.

First of all, Arab societies are characterised by general social calm and popular demobilisation, probably a result of oversized security

apparatus and a kind of mass resignation. The provision of jobs and economic benefits as well as intimidation and even the use of force are very common features of the whole region in order to prevent any form of social unrest (Brumberg, 2003). Frustrated and discouraged people leave the public sphere and social protest, but they are often discouraged from engaging in any kind of political and economic activity (Kienle, 1998). This phenomenon calls into doubt whether this part of the society will participate in a culture of economic dynamism so essential to the state in question. It hardly seems possible to forecast long-term social passivity, and conceivably the necessary programs for adjustment and economic expansion are going to worsen the socio-economic situation for the majority of the people in MENA countries, at least in short-term. The social conflict that could emerge from this situation could be counterproductive for the Euro-Mediterranean Partnership, because the adjustment is required of Muslims (Arab World) by non-Muslims (Europe) (ibid.). Thus, social protests as a result of the adjustment program will probably be directed towards Europe and not toward the national governments. If this happens, it seems very likely that a double negative impact will be produced. On the one hand, the dialogue between the two shores of the Mediterranean will be affected negatively. On the other hand, the creation of a "bad man" in Europe could enkindle a feeling of solidarity that enables the governing elite to foster and renew its legitimacy. This process of renewing legitimacy is reactionary for the prospects of democratisation. This is what Brumberg (1995), but also Barkey (1995), Kamrava (1998), Martin (1999), and Sivan (1997) call the survival strategy of the Arab ruling elites.

Nowadays, the Arab regimes find themselves in a deep crisis over legitimacy (Sivan, 1997). This crisis is directly interwoven with the ruling elite's priority, which is above all to remain in power and to protect their interests. This agility and capacity to survive and to stay in power is to a high degree due to structural factors, which leads us to doubt the possible efficacy of the mechanism chosen by Brussels' policy-makers for avoiding conflict while at the same improving the economies of the Arab countries. The strategies for survival used by the elite in effect limit the reform and liberalisation process. These tactical instruments are used in

situations where legitimacy has diminished because of economic crisis, failures of foreign policy decisions, etc.

Assuming that economic adjustment does not cause material loss and imbalances, it still seems unlikely that the desired political liberalisation will take place (Kienle, 1998). The assumption of modernisation theory that economic development enlarges the middle class, which in turn demands an increasing participation in the political life, only seems to be true in combination with class conflicts (Langohr, 2002). The point here is that class conflicts go hand in hand with capitalist evolution, and it is the capitalist evolution in its entire dimension that finally changes the power constellation. This has, at least, been the European experience. In the Arab World, this scenario is quite different. The capacity of the power elite to absorb political demands of determined groups and to integrate them into the structure of power and corporate webs guarantees its survival and prevents social protest. Under these circumstances it is improbable that class conflicts will take place.

Political liberalisation in the context of the Arab states must evolve from above (the ruling elite) to below (society). In contrast, from the French revolution to the most recent changes in Belgrade, political changes have been driven from below to above. This process of political change has been considered more lasting and deeper than the ups and downs of democratisation “à la jordanienne” or “a la marocaine” (Kienle, 1998:11).

Another example that challenges modernisation theory in the Mediterranean context is found in the programs of stabilisation and adjustment proposed by the World Bank and the IMF. One common feature of these programs is their high degree of economic liberalisation. Morocco since 1982, Tunisia since 1986 and Egypt since 1991 have implemented these adjustment measures under supervision of both institutions. However, the resulting increase in economic freedom has had little or no spill-over effects on political freedom or on human rights observance.

In summary, the correlation and causalities are hardly going to work from economic growth through an empowering civil society

to democratisation. It is necessary to emphasise democratisation. It is doubtful, whether an economic focus in democracy-promotion strategy can work in the Arab World context. In the next section, I will take a closer look at the 'political' approach.

The 'Political' Approach to Democracy-Promotion Strategy

The political approach refers in general to measures of political reform and for improving governance-performance as well as instruments for the strengthening of civil society (strengthening the rule of law and parliaments, reduction of corruption ...)[1]. According to Carothers (2003), direct and indirect measure can be distinguished. While the indirect promotion strategy does not question the political power structures, the direct one tries to open up the space of political contestation. Taking into consideration the above distinction between political liberalisation and democratisation, the direct democracy-promotion strategy can be described as a strategy which seeks to build a bridge between both (Carothers, 2003). The advantage of the direct approach is that it probably can help to strengthen moderate forces and weaken extreme ones.

The indirect approach on the other hand bears some risks for a genuine democratisation process and the establishment of long-term liberalised autocracies, because political liberalisation carried out by the state, without questioning the existing power structures, works against genuine democratisation and in favour of endurance of liberalised autocracies. Partial reform brings benefits for the regime in power, and also to the opposition, because in its likely that both side get something form the bargain process and this mutual benefit helps to ensure status quo maintenance. This on the other hand may foster extreme forces, due to the continuing political stagnation, inherent to the indirect, state-managed liberalisation process. In the next section, I will analyse the most important recent reform proposals and initiatives.

[1] For more measures see for instance Carothers (2003).

Initiatives and Proposals for Reform in the MENA region

The US proposals or: from Greater Middle East to Broader Middle East and North Africa

Despite the recent engagement in the promotion of democracy, the goals of US policy toward the Middle East were never democracy, but peace between Arabs and Israelis and the defence of American interest in the zone, above all access to oil. In order to guarantee the oil flows, maintaining the political status quo was an absolute priority. When during the second half of the 1980s the Arab World experienced a wave of partial political liberalisation, the US administration supported these governments and funded programs of democracy-assistance (Hawthorne, 2003). The results were very limited. In the case where the regimes made backward steps in their liberalisation programs, the US remained silent, because the best way for satisfying Washington's interest was the undemocratic *status quo* maintenance. In other words, the USA preferred political liberalisation over real democratisation, at least until the September 11th terrorist attacks (Brumberg, 2004). Before S-11, it was assumed that democratisation of the Arab World would benefit above all the Islamist parties. But S-11 produced a fundamental shift in Washington's thinking on democracy and the Middle East, at least a rhetorical shift, best expressed in President Bush's words when, during his speech at the Carnegie Endowment on November 6, 2003, he declared that because "sixty years of Western nations excusing and accommodating the lack of freedom in the Middle East did nothing to make us safe", the US had now adopted a "new policy, a forward strategy of freedom in the Middle East" (quoted in Hawthorne, 2004). Perhaps it is a simple coincidence, but the most significant reform proposals and initiatives, such as the *Alexandria Statement* or the *European Strategic Partnership with the Mediterranean and the Middle East* as well as other national initiatives, like the British, German or Danish one, date from after President Bush's speech.

The most recent and most debated initiative is without any doubt the US *Greater Middle East* (GME) proposal. This proposal served as a draft paper for the G-8 meeting that took place in June 2004.

The idea behind GME is the need to introduce economic and political reforms in the Arab countries that compose the region of the so-called Greater Middle East. Before the G-8 meeting, where the GME proposal was converted into the *Broader Middle East and North Africa Initiative*, many criticised this new policy as a mere rhetoric act; however, it was the first time that a U.S. president criticized in this official form Arab countries and Arab allies for their authoritarian rule and apologized for having supported autocratic regimes for such a long time. These reflections over US policy towards the region may be consequences of the arguments expressed by different American scholars that these autocratic regimes are at the root-cause of the anti-American ideology and provide a fruitful terrain for terrorism against the West. The US President also stressed with this speech the need for democratization of the Middle East.

The officially "secret" draft of the GME was published by the London-hosted Arab Newspaper Al-Hayat on February 13, 2004. As is now well known, the GME proposal was introduced by quoting the findings of the two UNDP Arab Human Development Reports 2002 and 2003, which are the three fundamental deficits concerning Arab Development: a freedom deficit, a knowledge deficit and a women empowerment deficit. These deficits represent a threat to the interests of the G-8 countries and are at the roots of extremism, terrorism and organised crime; in short, of all the threats arising from the region. In order to increase security, reforms must be carried out. The priorities of reform centre basically on a) the promotion of democracy and good governance (includes as free elections, parliamentary exchange, independent media initiatives, civil society, etc.) b) the building of a knowledge society (through a basic education initiative), and c) expanding economic opportunities (creation of forums, trade initiatives, finance for growth initiative).

A very important point and that was widely misunderstood at least according to the discussion in the media and expert circles is, that the goal of the proposal is above all a working paper in the search for a common ground concerning the external reform support of G-8 members. Since this is the case, we can say that the paper is about

reforms, but I think it was not produced as an explicit action plan for reforms. Instead of the general interpretation as a reform action plan it should be considered as an umbrella framework for co-operation for donor countries and the co-ordination of "individual" reform efforts such as the European Barcelona Process or the US Middle East Partnership Initiative. After reviewing the *G-8 Plan of Support for Reform*[2] it seems quite evident that the *Broader Middle East and North Africa Initiative* should serve principally as a coordination framework of reforms, where each participating state or institution is assigned a special reform task. (Jordan offered to host a Best Practice Microfinance Training Centre; Canada supports preparations for free and transparent elections in Afghanistan….). If we view the GME through this lens, the criticism regarding the failure to consult Arab leaders on the draft can be put into perspective[3]. However, the *G-8 Plan of Support Reforms* explicitly quotes Arab contributions such as *Alexandria Library Statement, Sana'a Declaration* or the *Arab Business Council Declaration*. A second critique on the GME draft paper emanating from the Arab governments and the Europeans was that GME did not address the conflict between Palestinians and Israelis, arguing that without solving this problem any reform efforts were doomed to fail. The revised paper now underlines the need to continue working towards a peaceful settlement of the conflict.

However, the result of the G-8 summit is the so-called Broader Middle East and North Africa Initiative, a revised "scaled-down" version of the Greater Middle East Initiative (Ottaway, 2004), where the East resolution of the Israeli-Palestinian conflict is a priority and where several documents "made in Arab World" are quoted.

This G-8 summit document consists of two parts, a *Partnership for Progress and a Common Future with the region of the Broader Middle East and North Africa* and a *G-8 Plan of Support for*

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[2] See www.whitehouse.gov/news/releases/2004/06/print/20040609-29.html (14/06/2004).

[3] See also Perthes (2004): European Perceptions, America´s "Greater Middle East" initiative. The Daily Star online. http://www.dailystar.com.lb./opinion/09_03_04_d.asp (16/03/2004).

Reform. The Partnership document consists of principles and norms based on human dignity, freedom, democracy, rule of law, economic opportunities and social justice. The dialogue between all the partners should be institutionalised through the establishment of the Forum for the Future, which was to meet for the first time in the fall of 2004.

Reaction to the Greater Middle East Initiative

Concerning the reactions to the GME, a further important observation can be made. It relates to the short period before the rising EU scepticism and reservation respective to the GME. In the direct aftermath of launching the proposal and when it seemed that EU and US were in the same Middle East reform boat, Arab leaders responded nervously. Above all Egypt and Saudi Arabia, two traditional US allies in the zone, heavily rejected the proposal, arguing that political and economic reform in their countries must come from inside and that it is impossible to force reforms from outside. A second reaction was the introduction of the question of reforms on the agenda of the Summit of the Arab League, a willingness to reform, but from "inside". However, the Arab countries were unable to find consensus and the Tunisian summit was cancelled. And the third tactical measure was visiting Europe, in order to find support against the US reform engagement in the region. A very successful tour through Europe by Mubarak, using the "ghost" of Islamist parties ("Arab reform must not be hijacked by Islamists"[4]) winning free elections in the Arab countries and destabilizing the whole region and even the whole world. It seems quite clear that in the Arab governments nobody is interested in a common EU-US Middle East Reform Strategy for quite evident reasons: who will be the biggest loser from political and economic reform in the Arab countries? Who is interested in carrying out reforms from "inside"? It is clearly the political elite, who thus get to stay at power.

[4] See www.middle-east-online.com/english/egypt/?id=9238=9238&format=0 (16/03/2004)

The reactions to the GME were summed up by a Moroccan scholar along three positions: The first which can be denominated the official view, clearly rejects it, because it is against the political status quo, as stressed above; a second one, the radical perspective also rejects its, because of the lack of US credibility; It is seen as another US led conspiracy against Arab interests; and the third one, that could be called the moderate view, sees in it an important point, that is the end of the status quo policy, but then many also do not believe that the GME is more than empty rhetoric.

And concerning the EU's credibility, one should ask credibility before whom? Does this mean the credibility before the Middle Eastern governments or credibility before Middle Eastern Societies? A very important point is that the EU is losing credibility due to its status quo maintenance policies and its passivity in the Arab-Israeli conflict.

The EU's Strategic Partnership with the Mediterranean and the Middle East

Since 1991, the promotion of democracy constitutes one of the fundamental principles of the EU's foreign relations. Concerning democracy-promoting measures, it seems quite evident that despite the commitment to apply coercive actions (above all within the framework of the 1995 clause of democracy and human rights), Brussels avoids the use of sanctions as a tool to expand democratic practices. Only in the case of extreme human rights violation (i.e. Libya, Iraq, Afghanistan, or Yugoslavia) have these measures been applied.

From a more conceptual point of view, EU democracy-promotion policy is based on two main pillars. The first we can call the "economic dimension" and the second "democratic socialisation". The economic dimension refers to commercial and economic policies and it is assumed that economic liberalisation will lead to the introduction of democracy.

The other dimension, the so-called "democratic socialisation" is more directly associated to political aspects. The most important

criterion concerning this political aspect is the construction of a kind of positive consensus concerning the necessity of the introduction of democratic rule in the minds of the Arab elites. Democratic socialisation gained priority over other democracy promoting measures. Concretely, democratic socialisation means the introduction of the word "democracy" in relations with non-democratic countries (Youngs, 2001). The goal behind this planning is that the ruling elite of the country at least pay lip-service to the democratic compromise. This is a very useful way of achieving a kind of shared identity.

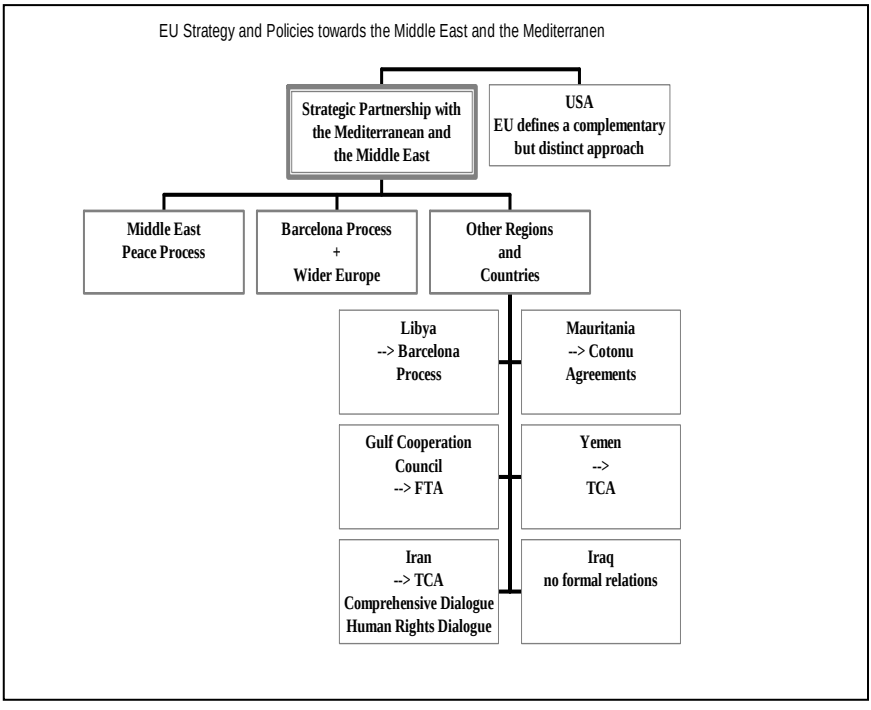
This democracy-promotion policy is based on the idea that democratic norms can be established through institutionalised co-operation that allows binding the ruling elite of third countries to positive cognitive attitudes towards democracy. This approach includes instruments like the programme of decentralised cooperation or the considerable increase of aid flows to civil society, namely to NGOs.

Financing NGO activity is considered as an integral part of the democratic socialisation process. Nevertheless, the integration of NGOs in the official decision-making process is very limited. However, it seems clear that the EU follows a *bottom-up approach* to democratisation, and does not follow a *top-down approach*, as the distribution of aid flows testifies. But, the analyses of civil society, as well as the short study of the experience with liberalisation in the Arab countries and the identification of the so-called *survival strategies* of Arab political leaders- as discussed above- make the *bottom-up* strategy in the Euro-Mediterranean context more than questionable.

Nevertheless, in the aftermath of the S-11 terrorist attacks, more and more European voices draw a direct link between terrorism and political autocratic and repressive regimes. The *European Security Strategy* agreed in December 2003, clearly emphasises the need to create a ring of democratic states at the EU's border. Several national efforts to revitalise democracy-promotion in the region can now be identified. In June 2004, the final document of the *EU's Strategic Partnership with the Mediterranean and the Middle East*

was published. This document offers a "guideline" of the policies and initiatives as well as principles and objectives of the EU's engagement in the Mediterranean and the Middle East. However, the document states clearly that concerning the Arab countries in the Mediterranean the framework of cooperation continues to be the *Barcelona Process* which now enjoys a further instrument to deepen relations with the Partner countries: the *New Neighbourhood Policy (Wider Europe)*. But the main strategy of democracy-promotion continues to be the same, i.e. economic reform priorities are placed over political ones. The new part of the instrument is the introduction of a kind of award system for progress made in reforms (through the Wider Europe Policy). Stated differently, the New Neighbourhood Policy offers the Mediterranean Partner countries the possibility of deepen their relations with the EU on a bilateral basis. The EU offers them all, without their becoming full members, that which is encapsulated in the four freedoms (freedom of capital, persons, services, and goods).

The EU umbrella institutional framework for the region can be represented as follows:



Essentially what the EU is introducing with this new policy is: a) the principle of positive conditionality, and due to this, a kind of "different speeds" concerning the reforms made by each Mediterranean Partner. The Wider Europe policy is envisaged to support the now more than 8 years old Barcelona Process, which in the past has not been as successful as expected. "Speak softly and carry a big carrot", is clearly the revised approach of the EU's Mediterranean efforts. However, the carrot offered by the EU seems too small in some cases where the interest in deepening integration with the EU has been expressed before, as for instance in the case of Morocco. In the conclusions of the meeting of the General Affairs and External Relations Council of the EU of June, 16, 2003, a number of possible incentives were summarized. The first impression concerning these incentives is that in some cases they confuse necessary measures with rewards or change the expressed interests of each side of the Mediterranean basin. For instance, a more effective political dialogue, or enhanced cultural co-operation, mutual understanding and people-to-people-contact should not be a reward for good reform performance. These are even more necessary where co-operation does not work as expected. Thus, it seems dangerous to link these instruments to progress in reform efforts. And it is quite surprising that enhanced cooperation on matters related to legal migration is a matter of reward, because evidently it is the EU that has more interest in a legal regulation of migration flows.

Another factor that decreases enthusiasm concerning the New Neighbourhood Policy is the fact that it was initially designed as an approach to the New Eastern European border after the 2004 enlargement. The Mediterranean countries were integrated later. One might polemically argue that Wider Europe is a kind of "second hand" approach to the Mediterranean. And a last point is that the principal idea of the reward system of deeper integration with the EU is deduced from the experience with the reform "success story" of countries of the East enlargement. This might be right, but there are two major constraints that should be kept in mind when comparing the Eastern European countries with the Southern Mediterranean countries. The starting point in the East was democratic states, and the reward system worked well for the

consolidation of market economies and democracies. An additional point is that the carrot was much bigger (accession to the EU). And finally, one should keep in mind, the potential threat perceived by Eastern European countries at least the three Baltic republics, coming from Russia. They were very interested in integrating in the EU and NATO structures in order to feel more secure. And this factor does not exist in the Mediterranean context.

Bearing in mind past initiatives for improving co-operation and the reasons of their failure, as well as the reactions to the launching of the GME, the EU should reflect about the transatlantic engagement in the region.

Reform Proposals and Initiatives from the Arab World

A growing trend concerning proposals and initiatives is that this is not limited to Europe and the USA, but also on a regional level, that means within the Arab World, a growing number of initiatives can be identified, even from the governments in the region. Reactions form Egypt and Saudi Arabia concerning the GME proposals show that those governments do not reject reforms, even if they do reject reforms introduced from "outside". Behind this statement, we can find perhaps a double Standard. In other words, as experience with reforms and liberalisation in the Arab World over the last decades shows, the most important thing for all autocrats all over the world is survival and the protection of their privileges (Brumberg, 2003).

On the governmental level, the May summit of the Arab League in Tunisia brought forth the most important reform proposal within the Arab World. In the Declaration of the summit, we can find several general principles and guidelines for the future of the region. The participants expressed their firm commitment "to carry out reforms in [their] countries, to keep pace with the accelerated world changes through the consolidation of democratic practice,…" They also "reinforce comprehensive development programs … aimed at promoting the educational system…" The Tunis Declaration also underlines the need to widen women's participation and to upgrade Arab economies. In this sense, the

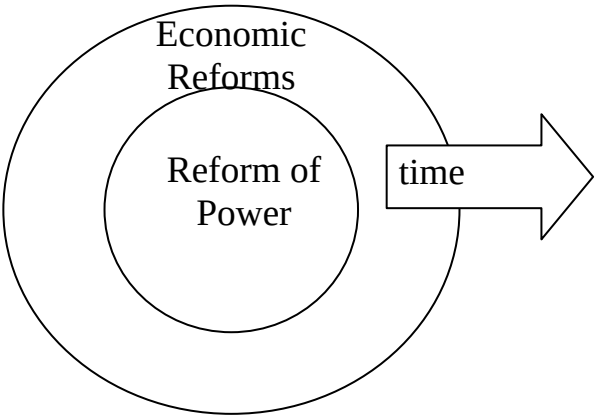
Arab League members address in one way or another the most striking findings outlined in the Arab Human Development Reports.

Below state level, there were three important pan-Arab meetings that took place recently: two meetings that were celebrated in Alexandria and Beirut where questions of human rights and political liberalization were addressed. More concretely, while the meeting in the Library of Alexandria focused on the limitation of state power, the Beirut meeting was above all on elections and the limited freedom of non-Islamist parties. A third important meeting was that of the Arab Business Council, where reform measures concerning private sector activity and business were discussed. But also the principles and commitments of the Sana'a Declaration on Democracy, Human Rights and the Role of the International Criminal Court testify to the efforts made at regional governmental and non-governmental levels.

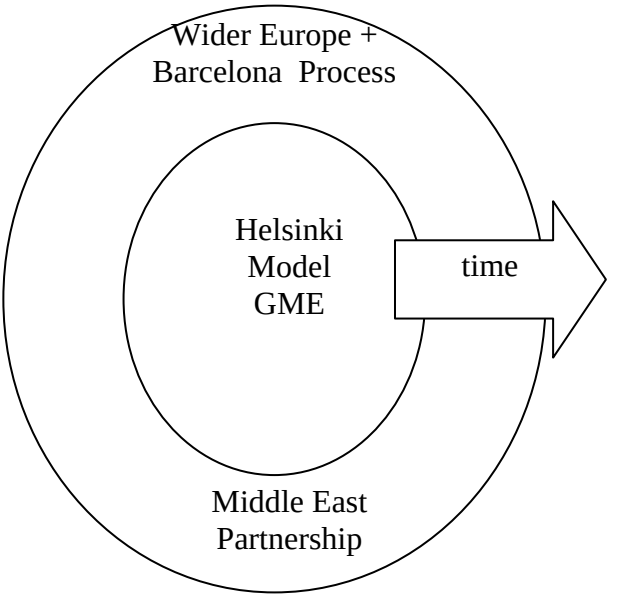
An Alternative Model for Promoting Democracy in the Arab World

"All autocrats want to survive" (Brumberg, 2003) is the most important statement we should have in mind when looking for a strategy of democracy-promotion. The experience with economic liberalisation, political liberalisation and the so-called survival strategy phenomena of Arab leaders show that democracy-promotion strategies focused on economic development, such as that of the EU and the US, will hardly lead to the inauguration of a genuine democratisation process. In order to overcome the past experience, a direct political approach is required. In other words, one of the most important things concerning democratisation and reform is that the power structure must be transformed. This is a very difficult task, because Arab elites will reject all these measures and try to survive. In this sense, diplomatic pressure for the transformation of the power structure should go hand in hand with a kind of Pact-making process between the most influential sectors of these societies. Incentives for the ruling elite in the form of jobs and money in the post-autocratic period should be designed. The negotiation process of the Spanish transition, also know as the

ruptura pactada, can provide some lessons for the building of a peaceful power transition in the Arab World. Once this happens, all the other reform issues including economic reform will work more effectively.



Concerning diplomatic pressure, the reactions to the Greater Middle East Initiative have shown that EU-US co-operation is necessary. We saw this during the short period when the Arab elites thought that the EU supported the forwards strategy for promoting democracy in the Middle East. All the efforts of Egyptian president Mubarak were designed to increase European scepticism and to split the perceived transatlantic harmony, a successful effort if we can see now. The most appropriate institutional framework for this would be the so-called Helsinki model, as at the beginning envisaged by the Bush administration. Later on, they avoided making a link between the Greater Middle East and the CSCE, because they do not want to address security issues in the region and are not willing to offer something in exchange for reforms. These are exactly the two main reasons why Europe should engage in a CSCE-model conference for the region. We actually do not have the same preconditions as we have had in Europe. In Europe, we mainly had two blocs, and each bloc was at least throughout the whole process ready to offer something in exchange for something else (Recognition of border in exchange for reforms).



Thus, the US should recognize that one can not demand something without offering anything to the other party. The EU should envisage these conferences with the slogan “Peace for Reforms” which means that the US and EU offer a greater engagement in the solution of the conflict in exchange for all-encompassing reforms. Once the reforms are initiated, and a clear and honest compromise towards a reform process can be observed, the Wider Europe Policy with its reward system may work well.

The European New Neighbourhood policy does not seem to be working at this early stage, which does not mean that it will not work in the coming phases of the reform process. The reward system will work well, because democratically elected governments need to improve their policies in order to stay in power through the ballot boxes. But in the case of autocratic regimes, it is quite doubtful. I think, before continuing the strategy of “talk softly, and carry a big carrot”, we should talk noisily and later on, carry the carrot.

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