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September 11 and the Future of the Euro- Mediterranean Cooperation

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Content

| | |
|---|----|
| <i>Carlo Masala</i> | 5 |
| Introduction | |
| | |
| <i>Christoph Zöpel</i> | 6 |
| September 11 – Consequences for German Foreign Policy | |
| | |
| <i>Lothar Rühl</i> | 22 |
| September 11 – Consequences for German Foreign Policy | |
| | |
| <i>Àlvaro de Vasconcelos</i> | 46 |
| The future of EMP | |
| | |
| <i>Ahmed Driss</i> | 53 |
| After September 11, is there a future for the Barcelona Process? | |
| | |
| <i>Volker Nienhaus</i> | 58 |
| Future Challenges from the Mediterranean for German Foreign Policy: An Economic Perspective | |
| | |
| <i>Arslan Chikhaoui</i> | 80 |
| Mediterranean Enlargement of the European Union: New Challenges for Germany | |
| | |
| <i>Carlo Masala</i> | 88 |
| Why Germany should become more active in the Mediterranean | |

Carlo Masala

Introduction

The papers presented here are the result of a joint conference held by the Center for European Integration Study and the Konrad Adenauer Foundation in December 2002 and thus part of a larger project of cooperation dealing with the future of Euro-Mediterranean relations.

18 scholars from various countries around the Mediterranean rim meet to discuss the possible consequences of the September 11 attacks on Germany's Mediterranean policy.

As usually there was a wide range of opinions how Germany and its Mediterranean policy is affected by the WTC attacks and how the country should react. This arrow of opinions is partly documented in this discussion paper.

The intention of the Center für European Integration Studies as well as the Konrad-Adenauer Foundation is to intensify the dialogue between academics from both sides of the Mediterranean shores in order to create some form of collective identity which – in the long run – may help to ease existing differences and misunderstandings.

Both institutions are grateful to the Thyssen Foundation for their generous financial support of this joint effort.

Christoph Zöpel

September 11th – Consequences for German Foreign Policy

1. Introduction

At this Third Meeting of the Mediterranean Forum of the Institute for European Integration Research, I should like to examine the following three aspects of the consequences of September 11th for German foreign policy:

- the historical context in which the events of September 11th occurred in relation to the global institutional framework within which international politics has been conducted since September 11th,
- the primary aim of our foreign policy, namely the external security of the Federal Republic of Germany, and
- the asymmetric interdependencies between European and Arab States and the consequences of these for German foreign policy.

I shall keep all three aspects in focus throughout this analysis.

2. September 11th: the event – the historical context – the global institutional framework

The attacks of September 11th, considered as a singular event, were a co-ordinated act of terrorist violence with an unprecedented death toll of about 3,000.

The attack was organized by a globally active non-governmental terrorist organization, the al-Qaeda network. The network is a private organization. Indeed, if we consider its place in the dichotomy of state and society, it must be regarded as part of civil society.

Al-Qaeda justifies the terrorist attack as a defence of Islamic values and a condemnation of the economic dominance and ‘culture’ of the ‘West’, in other words chiefly of the United States and Europe.

The terrorist attack of September 11th has proved to be a link in a chain of singular attacks by al-Qaeda, foremost among these being the attacks on the U.S. embassies in Dar-es-Salaam and Nairobi before September 11th and on ‘Western’ tourists on the islands of Djerba and Bali as well as on Israeli tourists in Kenya after that date.

Acts of terrorism are known to us from classical antiquity, one example being the notorious destruction of the Temple of Artemis in Ephesus by Herostratus as long ago as 356 B.C. The 19th century also saw notorious acts of terrorism, notably those committed by the Russian anarchists. It is therefore necessary to examine the historical context, to identify the historical roots of the terrorist attacks that culminated in September 11th.

The historical context in which they occurred is that of globalization. The technological and socio-cultural dimensions of the globalization process are the most significant in this respect, whereas its economic dimension assumed greater importance in the wake of the attacks. To see the economic dimension as paramount is to misinterpret the globalization process.

The technological dimension comprises

- the means of moving messages, money and people around the world at short and even extremely short notice, and
- the ubiquitous availability of the explosives and devices required for powerful explosions.

The social dimension comprises

- the contrast between the ubiquitous technological means with which high-impact acts of violence can be perpetrated and the concentration of the instruments of economic and military power in the hands of individual companies and states,
- the prosperity gap between North America/Western Europe and most of the other regions of the world which are home to the vast majority of the global population, and
- the cultural differences between ‘Western’ rationalism, with its personal and economic implications, and the Islamic religion.

The defining feature of the global institutional framework in which terrorist attacks take place is the tension between the national approach and the supranational approach. This is reflected in the phenomena of

- globalization,
- regionalization,
- superstates, and ‘failed states’.

The United States and China on the one hand and countries such as Rwanda, Somalia and Afghanistan on the other are part of the UN system and the Bretton Woods system and have, in principle, submitted to supranational law.

States are committed to regional and interregional military, economic and cultural organizations. The main organizations of relevance to the ‘West’ are NATO and the OECD, while the Organization of the Islamic Conference (OIC) and the Arab League are the relevant bodies as far as the Islamic Arab nations are concerned.

Relations between neighbouring regions have developed and have become more important than bilateral relations between countries in those regions. One of these structures is the contractual cooperation that takes place between the EU Member States and the non-European Mediterranean States.

The European Union has developed as a community of nations which have assigned sovereign rights to the supranational organization. The United

States in particular, but China, India and Russia too, have no compelling need of regional integration, and so they consider their sovereign rights to be only minimally restricted by supranational law. Other countries, such as Somalia, Rwanda and the Congo, are caught up in a process of dissolution. Afghanistan is another of these countries, which is why it came to be used as the logistics base of al-Qaeda. The al-Qaeda network was able to train a private terrorist army there, thanks to its cooperation with one of those governments exercising territorial control for which it did not possess an entirely legitimate mandate under international law, namely the Taliban.

3. The impact on Germany of the al-Qaeda terrorist attacks

Germany is affected by the terrorist attacks:

- as the legal or illegal place of residence of al-Qaeda members, helpers or sympathizers,
- through the German victims of the terrorist attacks, particularly the attack on Djerba,
- as the second most populous country of the ‘West’, and
- as a country with a large Muslim minority, comprising 2.5 million inhabitants, mostly of Turkish origin.

In institutional terms, Germany can act in this matter:

- as a member of the UN, in which it is about to serve a two-year term on the Security Council, beginning in 2003,
- as a member of NATO and the OECD,
- as a member of the European Union, and
- as a participant in European cooperation with the region of the Middle East and Southern Mediterranean.

4. International political consequences

The basis for the policy pursued in the wake of September 11th by the United States, the direct victim of the attacks, as well as by the community of nations is UN Security Council Resolution 1368 (2001):

The Resolution states that the Security Council regards the terrorist attacks of 11 September 2001 as a threat to international peace and security. It thereby declares a non-governmental act of violence with implications in the realm of international law to be a threat to world peace. This resolution of the Security Council evidently represents a momentous change in international law which needs to be subjected to expert analysis; its political consequences are unforeseeable.

The resolution calls on all States to work together urgently to bring to justice the perpetrators, organizers and sponsors of these terrorist attacks. It begs the question whether bringing them to justice is a matter for the police or military forces. And the resolution also condemns those who are responsible for aiding, supporting or harbouring the perpetrators, organizers and sponsors of these acts, which means that it relates to governments too. This is an appeal to the ability of the international community to take action to guarantee security, which may be interpreted as both external and internal security. It follows from the inclusion of external security that the resolution is also condemning those States that do not prosecute international terrorists, not to mention those that support them.

The resolution expresses the readiness of the Security Council to take all necessary steps to respond to the terrorist attacks of 11 September 2001 and to combat all forms of terrorism and calls on the international community to do likewise. The appeal to the international community to redouble its efforts to prevent and suppress terrorist acts repeats the message of previous resolutions, especially Resolution 1269 (1999). This expression of readiness to respond to the terrorist attacks paves the way for specific operations against specific perpetrators, although the question whether these should be police or military operations is once more left unanswered.

Resolution 1368 was followed by the efforts of the United States to cooperate with the entire international community in combating terrorism in general as well as its specific manifestations. Among the prerequisites for such cooperation are efforts to restore the viability of failed states.

This cooperation resulted in rapprochement between, on the one hand, the United States and the other members of NATO and, on the other hand, China, Russia, both India and Pakistan, Saudi Arabia and other Islamic States in the context of the fight against terrorism.

Efforts to stabilize ‘failed states’ or restore their viability have been initiated in Somalia, Yemen and, above all, in Afghanistan. Following the military operations in Afghanistan against the perpetrators of the September 11th attacks and against a territorial power that had supported them, a package of political and socio-economic measures was put in place for the creation of a viable state, the establishment of institutions and the development of the Afghan economy. At the same time, the domestic purpose of deploying an international security force emerged clearly. Enduring Freedom was an unequivocally military operation designed to fight terrorism and topple the Taliban regime, while the creation of the International Security Assistance Force (ISAF) was a measure designed to support the establishment of a viable Afghan State. Its function is that of a police force, which means that it serves to train police officers and administrative staff and to implement the necessary technical and financial measures in the framework of economic cooperation. This link is indicative of the transition between a common external-security policy of the international community and the global coordination of internal-security policies and domestic social development. It illustrates the way in which globalization is causing foreign policies and world domestic policies to merge.

Resolution 1368 was followed by intensified global political cooperation, particularly with regard to the naming of terrorist organizations, global intervention in their financial transactions and coordinated police investigations.

Differing positions between the poles of supranational law and the claims of the American superpower are reflected in the domain of criminal pun-

ishment. This applies specifically to the diverse views on the nature of the detention of captured Taliban and al-Qaeda members in the Guantanamo prison camp and in general terms to the recognition of the International Criminal Court.

These differences of opinion, particularly between the United States and the Member States of the European Union, are identifiable as matters of foreign policy and can be addressed through diplomatic channels. They can also be interpreted, however, as differing positions on the future development of world domestic policy, which, on the basis of the national understanding of home affairs, naturally focuses first and foremost on the need for an effective globally operative police and judicial system. This polarity is complicated by the fact that it is difficult in practice to draw a line between conventional conflicts involving both force and terror, whether they are civil wars or wars between nations. The most relevant example, apart from the civil war in Chechnya, which belongs to Russia under international law, is the Middle East conflict between Israel and its direct and indirect Arab neighbours. Since September 11th the Israeli Government has increasingly been presenting the Palestinian acts of violence as part of international terrorism, or at least as specific manifestations of terrorist activity. Those aspects of the fight against terrorism that fall within the definition of world domestic policy are thus being woven into conventional military conflicts. In this particular situation, however, military thinking renders the socio-economic and cultural dimensions of efforts to prevent terrorism and of a potential world domestic policy obsolete. Projects in the Palestinian Autonomous Areas supported in the framework of international economic cooperation have been destroyed again by military operations. A cultural or, to be more precise, value-based dialogue between Jewish Israelis and Muslim Arabs is rendered impossible by the use of military force.

Through the dispute between the United States and Iraq, the international community's battle with terrorism assumes a different dimension than in the case of non-governmental acts of terrorism which may or may not be aided and abetted by governments. Iraq is not cooperating with the international community in combating terrorism and stands justifiably accused of preparing for the governmental use of force with nuclear, biological and

chemical weapons. This, however, would be a conventional war between nations, a fact underlined by the nature of the military operations planned by the United States should diplomatic efforts, i.e. foreign policy, prove unsuccessful.

Because of their relations with the neighbouring region of the Middle East and Southern Mediterranean, the States of Europe are affected in a different and more immediate manner than the United States by both the Arab-Israeli conflict and the conflict with Iraq. They have a more pronounced interest than the United States in preventing escalation and promoting the resolution of these conflicts, and their actions are more strongly influenced by these motives.

5. German policy since September 11th

The primacy of external security is also a determinant of German foreign policy. After the start of the ‘Cold War’, the primacy of external security was the driving force behind the integration process within NATO. The efforts to guarantee the external security of the Federal Republic of Germany and to prevent any conventional and nuclear aggression by the Soviet Union were based primarily on the military capabilities of Germany’s major ally, the United States. Since the end of the Cold War, the military threat to Germany has receded. One result of this change is that the importance of NATO is judged from a different perspective. Al-Qaeda terrorism endangers both external and internal security. It therefore influences both the foreign and domestic policies of Germany. In the field of foreign policy, the emphasis is shifting from bilateral relations and cooperation within the Alliance framework to global and multilateral operations. This change of emphasis will almost inevitably impair bilateral relations with the nation whose security is only partly dependent on supranational law, namely the United States. Germany’s security, however, continues to depend not only on the guarantees given by the NATO Alliance but also on the pursuit of a global policy of peacekeeping and peacemaking. Recognition of this conflict of instruments in German foreign and global policy is essential if that

policy is to be adequately analysed and if such an analysis is to serve as the basis for useful proposals.

5.1 Germany as a State in the international community

Germany unreservedly accepts UN Security Council Resolution 1368 and acts as a constructive member of the international community. This approach manifests itself as follows:

German membership of NATO. In the wake of 11th September, NATO, for the first time in its history, invoked Article 5 of the North Atlantic Treaty, which states that an armed attack against one or more Allies in Europe or North America shall be considered an attack against them all. Germany voted in favour of that decision. The invocation of Article 5 has not yet had any consequences. The United States evidently considers the military structures of NATO to be unsuitable for what it regards as appropriate anti-terrorist measures. The U.S. proposal that a NATO response force be established, which was adopted at the Prague summit, represents an initial attempt to address the question of the extent to which NATO, on the basis of UN Resolution 1368 or in other contexts, can become involved in the fight against terrorism. Germany regards the primacy of the United Nations as absolute in this respect.

German membership of the European Union. In its foreign policy, Germany is bound by the common foreign and security policy under Article 11 of the EU Treaty. A great deal of German activity in the field of foreign policy is therefore devoted to participation in the formulation of this foreign and security policy, which is then implemented by the Member States, the Commission or the High Representative for the CFSP. In conjunction with the primacy of the United Nations and its Security Council in the domain of anti-terrorist policy, Article 19(2) of the EU Treaty clearly restricts Germany's powers in the framework of the common foreign and security policy of the EU in relation to those vested in Britain and France as permanent members of the Security Council. The policies of those two States in practice shows the limits of the common foreign and security policy of the EU in the context of the United Nations.

Germany's participation in the military operations conducted in pursuance of UN Security Council Resolution 1368. Since October 2001 it has made some 3,000 service personnel available for Operation Enduring Freedom, and since the beginning of 2002 it has provided about 700 troops for ISAF. Germany also played a major part in the political moves to establish a viable government in Afghanistan, hosting the Petersberg Conference.

Particular importance attaches to the way in which the Government of the Federal Republic of Germany has acted in connection with the policy of the international community towards Iraq. Iraq is not cooperating in the measures taken by the international community to combat global terrorism. There is good reason to suspect that Iraq, by developing nuclear, biological and chemical weapons, is preparing to commit acts of state terrorism or to engage in military operations based on the use of these weapons or at least to threaten their use for political purposes. Since Iraq has been resisting precautionary inspections by the international community since 1998, the United States has initiated a global political discussion regarding the military action that may have to be taken against Iraq. The alternative to military action is renewed Iraqi acceptance of UN monitors. From the very start of these global deliberations, the German Government has put its faith in a diplomatic and political solution, based on successful – and thus unimpeded – inspections. Contacts with the Arab States, and especially with the Arab League, have been one of the principal means through which the German Government has tried to implement this policy.

The Federal Chancellor's public declaration that Germany would not be a party to a military solution is significant from various perspectives:

In the global political discussion on military actions against Iraq, the Chancellor's statement, in marked contrast to the position of the U.S. Administration, expressed the belief that political and diplomatic efforts could bear fruit, whereas the U.S. Administration has effectively ruled out the possibility that such a policy might succeed and is fixed on the idea that there is virtually no alternative to military action. Following the adoption of UN Resolution 1441 (2002) in November 2002, it remains to be seen how successful the position on Iraq that has now been unanimously adopted by the

international community will prove to be in bringing weapons of mass destruction under control without recourse to military action.

The Federal Chancellor's statement constitutes open intergovernmental dialogue too, diverging from the practice of confining this type of discussion to more or less secret diplomacy. If democratic decisions are to be made transparently, including decisions on the use of military force – a precept anchored in German constitutional practice whereby parliamentary approval is required for the deployment of the Federal Armed Forces abroad – public dialogue between democratic governments is a logical necessity. In this respect, derogatory references to the special situation of election campaigns are unacceptable to anyone with a realistic understanding of democracy. Participation in the democratic process and the legitimization of governments are effected by means of elections, and elections presuppose an intensification of the public debate on key issues.

Notwithstanding the German Government's endorsement of UN Resolution 1441 (2002), the Chancellor's statement raises the question of Germany's ability to take part in further international military operations. This question mark over German military capabilities relates both to manpower and matériel as well as to the acceptance by the German population.

In terms of actual force size, Germany now provides the second-largest contingent of armed troops for operations abroad. Besides their involvement in Enduring Freedom and ISAF, German troops are also serving in Kosovo, Bosnia-Herzegovina, Macedonia, etc. A total of some 9,500 German service personnel are currently assigned to international forces.

The issue of public acceptance has a historical and an economic or fiscal dimension. Experiences of two world wars and their consequences, the collective historical awareness and, in some cases, first-hand knowledge of the suffering and destruction caused by wars have made European societies sceptical about military solutions. This distinguishes them from U.S. society. Germany bears particularly deep scars from its experience of war, both as the aggressor and author of incomparable horrors, fruits of the policies of Hitler and the National Socialists, and as the victim of expulsions and

destruction. This historical dimension determines the attitude of German society to military operations.

The economic situation of the highly developed but also ageing and dwindling German society has created a substantial fiscal burden, and in such circumstances securing an increase in the defence budget is virtually a political impossibility. The reduction of government debt, which is also an EU requirement, and the overhaul of the system of social security are already complicated enough.

5.2 International policing and world domestic policy

Since September 11th, Germany has stepped up its efforts to combat terrorism through police operations. This is reflected in two new packages of anti-terrorist legislation as well as in German participation in the formulation and implementation of the common justice and home-affairs policy of the European Union. It goes without saying that Germany is also a party to international agreements on cooperation in the fight against terrorism which followed the adoption of UN resolution 1368 (2001).

5.3 International criminal law

Germany submits to the jurisdiction of the International Criminal Court and has adopted two laws on the subject, the Act Relating to Cooperation with the International Criminal Court (*Gesetz zum Internationalen Strafgerichtshof*) and the Act Introducing the Code of Crimes against International Law (*Gesetz zur Einführung des Völkerstrafgesetzbuches*). With regard to the International Criminal Court, there are different positions from those of the United States. In the sphere of criminal law, as in other legal fields, Germany will continue to press for a commitment to internationalization.

5.4 Intercultural dialogue

Germany takes the view that intercultural dialogue makes an important contribution to the prevention of violence, including terrorist violence, in the North-South context in general and between the ‘West’ and the cultural community of Islam in particular. Efforts are being made not only to

proclaim this dialogue but also to conduct it in a serious manner. Intercultural dialogue should not be categorized primarily as an element of the inter-faith dialogue but should be conducted between governments and representatives of the respective societies and focus on the possibility of identifying common values.

5.5 Socio-economic cooperation

Socio-economic cooperation conducted with the aim of reducing the prosperity gap between the richer North American and European countries and most of the other regions of the world must be part of the strategy for successfully combating terrorism. The German Government tries to pursue this aim through its policy of development cooperation, supporting structural change in societies that could otherwise become breeding grounds for terrorism. In this way it seeks to ensure that terrorism cannot even begin to take root in states and societies. Development cooperation is intended to help countries to overcome the repercussions of political crises and to eradicate the structural causes of terrorism. Development policy offers decisive and effective approaches to preventive action against terrorism. Combating poverty, improving basic education, increasing the level of public participation in decision-making processes, preventing situations that create refugees and supporting democratization and the rule of law are key principles in this concept of development cooperation. This understanding of German development cooperation is reflected in Germany's policy on Afghanistan. Since the beginning of 2002, hospitals and other health amenities in Afghanistan have been renovated and equipped, drinking-water supplies have been restored and school buildings rehabilitated. Education, legal advice and the establishment of networks for women are being supported; this is one of the main 'cultural' priorities. Salaries for more than 450,000 teachers and policemen are being paid out. These contributions are being made in cooperation with both government bodies and organizations within civil society.

5.6 Relations between Europe and the neighbouring region of the Middle East and Southern Mediterranean

Next to active involvement in global policymaking, the foremost mission of European foreign and security policy is to shape the relationship between Europe and the States of the neighbouring region of the Middle East and Southern Mediterranean.

Developing a blueprint for relations between these regional neighbours has only been possible since the end of the East-West conflict. Only then could the international political community address the core conflict in the Middle East between Israel and the Arab and Islamic countries, with all due respect to the Camp David Agreement of 1978. Historical facts have played their part, both in this core Middle East conflict and in its exploitation by East and West before 1989: the colonization of the region by European States, namely Britain, France and Italy, and its liberation from their rule. And then there is the unspeakable horror of the holocaust set in motion by Fascist Germany, which claimed the lives of millions of Jews and made an Israeli State a historical necessity. The Israeli understanding of statehood and security is also rooted in this apocalyptic historical experience. The facts of history, in their respective dimensions, create not only a European but also a specifically German responsibility for the conflict in the Middle East – a responsibility to Israel but also, inseparably linked with this, a responsibility to the Arabs too.

The East-West conflict superimposed its rationale not only on the core Middle East conflict but also on conflicts within the Arab world and conflicts between and within other Islamic States, such as the war between Iran and Iraq, the tensions between Turkey on the one hand and Iraq and Syria on the other, and the hostilities in Afghanistan between 1980 and 1990.

The end of the East-West conflict resulted almost directly in two events that changed the Middle East and Gulf region:

- the intervention of the United States in Iraq on the side of Kuwait with the consent of the UN Security Council, and

- the establishment of contractual relations between Israel and the Palestinians as the key prerequisite for a solution to the core Middle East conflict.

Both events were of global significance in that they revealed the contours of a new world order:

In institutional terms, power lies with the more effective international organizations – primarily with the United Nations but also with other organizations, particularly the International Monetary Fund, the World Bank and the World Trade Organization.

In terms of the projection of political power, the United States had become the world's only superpower.

The increasing regionalization of global relations has subsequently resulted in the emergence of interests that are determined by the relations between regional neighbours. They can give rise both to conflict and to cooperation between neighbouring regions. This phenomenon also applies to relations between Europe and the neighbouring Middle East and Southern Mediterranean. In this context there is a two-way pull between adaptation to the hegemonic role of the United States – a prospect which Israel, in particular, would welcome but which attracts Arab condemnation – and the development of a network of bi-regional relations. The choice between these two opposites is primarily determined by geopolitical circumstances, i.e. by the differing interests of Europe and the United States in relation to the Middle East and Gulf region:

The United States, as the only military power with such potential to threaten the use of force, can bring influence to bear on tensions within the Middle East and Gulf region as well as between Europe and that region, but the exertion of that influence is affected by the United States' own geostrategic interests.

The policies pursued by the EU Member States on relations with the neighbouring States of the Middle East and the Southern Mediterranean were institutionalized in the Barcelona process and in the cooperation between the European Union and the Gulf Cooperation Council (GCC). Both of

of these processes are handicapped by the Arab-Israeli conflict, increasingly so since September 11th with the escalation of violence on both sides. Progress is now largely confined to economic cooperation, but no advances are being made towards comprehensive political or security cooperation.

At the start of 2002 there did seem to be progress towards a solution to the Arab-Israeli conflict, which would have helped to reconcile the conflicting interests of the United States and Europe and paved the way for closer Euro-Arab political cooperation. The proposed negotiating basis was the plan put forward by the Crown Prince of Saudi Arabia for a Palestinian-Israeli deal. The coordinated action of the Middle East Quartet, comprising the United States, the United Nations, the European Union and Russia, has been a great step forward in procedural terms. But now the Iraq crisis has become a stumbling block. Nevertheless, the efforts of the Quartet to produce a ‘road map’ remain essential.

In view of the disruptive impact of the Arab-Israeli conflict, relations between the Arab and European States could benefit from diversification at a level below that of the Barcelona process. To this end, contacts between the various governments, at the subregional and local levels and between groups from civil society should be intensified.

Lothar Rühl

September 11 – Consequences for German Foreign Policy

I. The terrorist aggression against the United States has strongly influenced not only US foreign policy but the North Atlantic alliance and the transatlantic relationship, often described in the past as „partnership“ or „community“, but not really defined as such. September 11, 2001 was a defining moment in history, when relations between countries, international constellations and strategic conditions change: For America and for Europe „common security“ took on a new meaning, since the significance of the mutual alliance obligations was clarified in the light of the event and in the perspective of American reactions to a renewable threat from abroad by an elusive enemy without an address and not identifiable with any country. The fact that the aggression came from a „non-state actor“ in Afghanistan, in other words an underground organisation or private international company of terrorists waging „war on America“, as president Bush put it in defining the nature of the attack and the consequences he would draw from it, has changed the rules of international security and of alliance politics, affected the reading and application of international law and created new connections in the „international coalition against terror“ beyond the political confines of existing alliances. The „global war“ coalition has allied – for the time being – the United States with Russia and China, India and Pakistan and unlikely partners in Central Asia with Usbekistan and Tadzhikistan or North Africa with terror-torn Algeria – all under dictatorships – for the single purpose of acting with force against „international terrorism“.

Most of these „coalition partners“ or new allies outside Europe have authoritarian governments with intolerant religious-social orders such as Pakistan and Saudi-Arabia (both of dubious reliability as an ally against Islamic fundamentalist terrorism and of fragile internal stability under pressure) or with secular states in Muslim countries, governed by state-unity parties and the military such as Egypt, Algeria and Syria, all of them not much different from Iraq but for the personality of the dictator in Bagdad and the use of terror as an instrument of government. Syria, already a reluctant Gulf war ally against Iraq for the liberation of Kuwait in 1991, is still counted as one of the potential recipients of nuclear devices, also in possession of chemical arms and a buyer of ex-Soviet „Scud“ type missiles from North Korea's production. 15 „Scud“ missiles with conventional warheads were ordered by Jemen in North Korea and shipped from there in early December 2002: The US had to let the shipment, first seized by Spanish frigates in the Arabian Sea, continue to Aden after an acknowledgement by the „coalition partner“ Jemen and a protest by the Jemenite government, cooperating in the search for „Al Qaida“ activists. The growing concern about terrorism has brought this strange collection of temporary allies in line around the United States, however without much coherence and common interests beyond the fight against Islamic fundamentalism in its terrorist extreme, to which most of these governments add their own Islamic opposition as do Russia and China, while others are either dependant on arrangements with the Islamists or in an ambivalent relationship with ultra-fundamentalist Islamic clerics like the House of Saud with the king head of the Wahabbite sect, which is the state religion in Saudi-Arabia.

This ambiguity of the US coalition policy as an example of pragmatic realpolitik beyond all principles and „common values“ of the transatlantic „community“ between North America and Europe has strongly influenced German reactions to summary definitions of „international terrorism“ and „Islamist“ dangers as expressions of the US political requirements for the conduct of military operations overseas, although there is general agreement with the urgency of „the fight against terrorism“ and the use of force. However, the Oriental wing of the „international coalition“, brought together by the US, is regarded with skepticism in Germany and judged in

Berlin as an incoherent and probably ephemeral association of national, governmental or dynastic interests, incompatible with a clear orientation and a long term political strategy.

Only Europe stands out in this coalition as congenial to America in the essentials, even if the mentalities are different on both sides of the Atlantic as they are between Britain and the Continent. „post-September 11“ attitudes brought out these differences as to the use of force and the concept of offensive war as the necessary or at least optimal response to the terrorist threat and the threat of proliferation of means of mass destruction with the hypothetical combination of both as a worst case assumption, personified by Saddam Hussein of Iraq – in president Bush’s words „the most dangerous dictator with the most dangerous weapons“. In this sense the terrorist attack on America has changed international politics and introduced a new structural element, which, however, is not the only defining one since other factors remain in play for alignments in alliances and coalition-building, for conflicts of national interests, international rivalries, strategic competition and not least confrontations between powers for classical geopolitical reasons such as territory (India versus Pakistan) or resources or the control of regional balances. But the „notable change“ in international security conditions, noted by US defence secretary Rumsfeld in 2002, which he described as the constant threat to populations by massive terror attacks including with means of mass destruction without international war between countries, has introduced a factor of generalized insecurity and uncertainty, eradicating the clear-cut difference between peace and a state of war. Such situations of endemic large-scale violence and in-security did exist before, especially in Asia and Africa, but in American perception they had remained a distant danger. Germany had had its share of terrorism, not all of it domestic, some from the Near East and North Africa. However Germany was more concerned by the recent „Al Qaida“ infiltration than other European countries, since the authors of September 11, had prepared their act, at least partly, in Hamburg and travelled widely from Germany through Europe. The all too liberal German laws and practice of justice made their covert operations easier than elsewhere. Therefore, after September 11, Germany was more exposed to American pressure and criticism than other

European countries. Germany had perhaps to do more than others to correct its record on anti-terror precautions and active pursuit of terrorists.

II. For the North Atlantic Alliance „September 11“ brought a brusque acceleration of its own evolution towards „globalism“. The Balkan wars since 1991 had finally prompted the first use of force by Nato in 1995 to end the Bosnian war and in 1999 to end the Kosovo conflict, but these two armed interventions took place in Europe on the border of the alliance and challenged the political credibility of the allies as signatories of the „Final Act“ of the Helsinki CSCE in 1975 (signed for Yugoslavia by Tito) and of the Paris „Charter for a New Europe“ in 1990. With the „global war on terror“ (Bush) and the armed intervention in Afghanistan against the Taliban régime and the „Al Qaida“ organisation, which was a leading part of the Islamist dictatorship, the European allies, including Germany, went beyond the legal and geopolitical limits of their treaty obligations by a large interpretation of the North Atlantic Pact (the Washington treaty) and they went to war in Asia. Terrorism had finally become a serious challenge to international security and was recognized as such both by the UN and by Nato. That Article 5 of the Treaty of Washington would be invoked to counter a lesser threat than that of a war in Europe had been considered a highly unlikely contingency through the entire period of the East-West conflict after the Cuban missile crisis of 1962. Although this European support since September 2001 was marginal in military terms, it was of great political importance not only to Europe but to the United States. The later US requests for specific assistance by Nato allies in the „war against terrorism“ and in 2002 in support of a military intervention against Iraq in order to forcefully disarm it and remove Saddam Hussein, clearly show that the US depends on able and willing allies to manage international crises and that Europe is in a geo-strategic key position with regard to the Middle East for deployments and logistical support of US intervention forces as was the case in 1990-91 during the Gulf conflict. In Europe Germany still held a significant central position in 2002 as a major Nato ally with the US bases and communications and the rest of the US forces with 42.000 army plus 15.000 air force personnel and 57 % of the US army prepositioned stocks for the planned contingency reinforcements of the V corps in West Ger-

many by two brigades: The bulk of US Command Europe was still garrisoned in Germany.

III. The consequences for German foreign policy must be considered under several distinct major aspects:

- German-American relations and German influence in Washington,
- Germany's standing and role in Nato in the transformation process,
- the impact of the US concept for „pre-emptive prevention“ strategy,
- the adaptation of the ESDP to preventive military intervention,
- the consequences for EU enlargement and the problem of Turkey,
- the German position in the UN and participation in UN crisis management.

In his first public reaction to the September 11 attack German chancellor Gerhard Schröder assured the US of „Deutschlands uneingeschränkte Solidarität“. The German word „uneingeschränkt“ translates into English either as „unlimited“ or as „unrestricted“, which is essentially the same. In the context of aggression from abroad against an ally this expression of full support was both a necessity and a statement expected of every American ally in Nato, in particular in view of the NAC's decision on september 12, to proclaim the allies' solidarity and to invoke article 5 of the 1949 alliance Treaty of Washington with the ruling that in this case the mutual obligation of the allies to support each other in „collective self-defence“ against aggression with the appropriate means and measures including armed force does apply. Once the foreign origin of the terrorist attack had been established, the articles 4 to 6 of the treaty came into play, binding, in principle, all members of the alliance. Even if US territory had not been struck, but a US ship or aircraft within the treaty area including the Mediterranean instead, the obligation for support would have applied in the same way, according to article 6 of the treaty. For example: Had the US destroyer „Cole“, some time before, in the year 2000, the target of terrorists, not been attacked as it anchored in the territorial waters of Yemen but in a Turkish port or on a sea station in the Mediterranean, this would have constituted the ‘casus foederis’ for Nato as well, even if the impact would have been as

marginal as it was outside the treaty area. In this case, Nato could have responded with an armed attack in „collective self-defence“ according to article 51 UN Charter if it had concluded that Jemen was responsible.

A classic military contingency of armed attack on Nato territory had already been envisaged by the NAC in 1990-91 for the defence of Turkey against a possible Iraqi strike on US/Nato bases or simply on Turkish territory across the common border in response to the intervention of the international coalition with the operations „Desert Shield“ and „Desert Storm“, although Turkey then was not part of this American-led coalition, only made available its airspace and permitted the use of the bases for air attacks on Iraq. In this Nato „flank contingency“ on the Southern periphery of Europe and the Nato treaty area, which is limited in the Near/Middle East by Turkey's borders with Syria, Iraq and Iran, units of the „Allied Mobile Force“ were deployed as a demonstration of force and a preventive warning to deter a possible Iraqi counter-attack and in case it materialized to reinforce Turkish defence. German air defence units and light fighter-bombers took part in this preventive forward deployment for defence, which was not part of any offensive plan for an invasion of Iraq: During „Desert Storm“ the Turkish-Iraqi border region remained quiet (apart from the usual local attacks by the Turkish-Kurdish PKK from Northern Iraq across the border). The politically important aspect of this crisis action by Nato with German military participation was the reinforcement of the allied defence posture on the exposed flank of Nato, while Germany and Turkey did not actively participate in the military operations and Germany even refused to send mine-hunters into the Red Sea, as Washington had asked Bonn to do, in order to keep the shipping save. The only German military contribution was to replace allied warships in the Eastern Mediterranean during the conflict in order to protect the sea-lanes between Europe and the Levant. On the other hand Germany supported the US indirectly by sending US and German warstocks, i.p. ammunition, helping in the transport of the US VII corps from Germany to Saudi-Arabia and later providing arms for the modernization of Turkish and Egyptian military equipments (all in all including payments to the US about 17 Mrd DM). Germany was the central rotation base for US and British forces and logistics during the Gulf war. All the

other European Nato allies somehow participated in the Gulf war operations with mostly small naval or air units, Britain and France with larger ground forces contingents and air force squadrons, which took part in the offensive. Germany remained in the background.

The German abstinence then caused a temporary freeze in German participation in military co-operation in Nato, although Nato as a military alliance for defence and its command & control structures did not go to war in the Middle East for political reasons, i.p. not to make it appear that the alliance had an active interest in the Gulf region and not to provoke the Arab members of the international coalition to withdraw because of Nato military presence in the Middle East beyond the alliance confines.

Ten years later, in september 2001, Iraq was at first not in the centre or even in the fore- ground of the breaking crisis and hence not on top of the allied political agenda, no obvious link existing at the time between Iraq and the Islamist terrorists (although soon after Washington affirmed, on the strength of secret intelligence information from Prague, that one of the authors of the terrorist attacks had met there with Iraqi agents). Anyway the American suggestion, according to which Saddam Hussein might have helped the Islamist terrorists to attack America (Bush: "I would not put it past him"), did not seem plausible in Europe: Why would the dictator in Bagdad, who had massive problems with the shiites of his country and for whom any kind of Islamic fundamentalism, especially with terrorist activities, would mean an uncontrollable danger for his own régime, risk punitive retaliation by the US for any contact with „Al Qaida“ or other Islamist terrorist groups? When it comes to using terrorists for his purposes he had Arab, above all Palestinian, clients to do his work. Therefore, as long as neither Iraq nor any other Arab state or Iran were targets of US „counter-terrorist“ actions, Germany could simply lay back and protect German political and economic interests in the Middle East as did all the other European countries, Britain temporarily excepted, for theirs (i.p. France). Chancellor Schröder had always put forward „the German national interest“ and he would do so again in 2002, when Iraq had been promoted to the top of the US list of „rogue states“, a denomination first used by the Clinton Administration in december 1993 to designate states which would pro-

mote terrorism and act as proliferators of nuclear, chemical or biological „means of mass destruction“; the then US secretary of defence L. Aspin put forward the scenario of „a handful of nuclear devices in the hands of rogue states or even terrorists“ as a „new threat“ the US would have „to deal with“ by a „Defense Counterproliferation Initiative“. Thus the link between such dangerous states and terrorism had been established in official US thinking and planning long before George Bush jun. became president. Aspins successors used the term „rogue states“ freely, when addressing proliferation risks and the policies of North Korea, Iran, Iraq, Libya or Syria. The US State Department later changed „rogue states“ to „states of concern“, which might be either „failed states“, „failing states“ or „aggressive states“ and even „terrorist states“ without stringent definitions. The Bush administration then returned to „rogue states“, which had remained the term used by the last defence secretary of president Clinton, William Cohen, even as late as February 2001 in his valedictory addresses in Europe on leaving office. The expression was used to recommend anti-ballistic missile defence against „rogue missiles launched by rogue states“ (Cohen in Munich 2/2/2001). The main US concern at that time was clearly about Iraq and North Korea.

By the fall of 2002 the European allies had not yet to worry about an excursion of the American „campaign against terror“ into Iraq as long as Saddam Hussein remained passive and no material evidence of Iraqi links with terrorists or of Iraqi armament with MMD and longer range missiles turned up. It was clear, however, that Iraq remained in the line of fire, while Afghanistan was the obvious first priority for US intervention, Sudan, Yemen and Somalia possible second line choices, depending on developments there and implantation of Islamist terrorist groups in one of these three countries.

Hence, on September 12, 2001 Chancellor Schröder could still concentrate on the „war on terror“ in general. In this contingency without geographical specifications or naming of any country by the US administration the head of the German government offered the American ally „jede gewünschte Hilfe“, which means in English „any and every kind of desired help“ or assistance. His discourse in the policy statement focussed on a rather nar-

row mission, however: „the identification and persuit of the authors of these acts of terrorism, including those who instigated and instructed them“. The latter Schröder called „the wire-pullers“ and the terrorist acts of september 11 „a declaration of war against the entire civilised world. He said so even before president Bush qualified them as „acts of war“ later in the day. In his speech to the Bundestag the German chancellor underlined their international significance in stating that „security in our world cannot be divided“. This was both a wide-ranging and somewhat ambiguous statement of assistance to America in the fight against international terrorism and for its national defence: On the one hand, meeting any demand of „desired help“ with unqualified solidarity, on the other hand pointing to a defined - the mission of seeking out those responsible for the terrorist attacks either as the physical agents or as instigators and instructors. This formula, used by an experienced lawyer and politician, suggested less a military assistance, let alone participation in a war with German forces outside Europe than support of intelligence and police operations to find individuals and underground groups.

On that first day after the attack president Bush followed the same line without mentioning countries or even regions. „The enemy“ he spoke of in his first Washington address, remained without a name, which was consistent with the early stage of the beginning campaign, when knowledge about this enemy was still sketchy. The enemy was hiding „in refuges“, but Bush did not indicate where these might be found. Hence, „unlimited support“ for the US by Germany or any other ally came cheap in terms of practical support and alliance policies, though it was obvious from the first hour that September 11 had come as a defining moment in history and as a test of solidarity as well as of resolve for all allies and clients of America. It was understood that way in Berlin as everywhere else. The question, whether a new structural element had been introduced into the set-up of factors of international politics and security, was soon afterwards answered by the American reactions to this aggression: The US saw itself, as president Bush had proclaimed, „at war“ and was prepared to conduct an military campaign across international borders in a worldwide persuit of the September terrorists, which could mean intervention with armed force, however small

or large, according to the requirements of the circumstances, and in the extreme case a global campaign by installments and stages from suspect area to suspect area. This was indeed the meaning of Bush's warning to the American nation that „a long campaign“ lay before them. His appeal that this was the time for all good people to come to the help of the party was also addressed to the allies and friends of America to take sides: „with us or against us“. So far, alliances and coalitions had been formed either for long-term purposes of collective defence and common security or for ad hoc-purposes vis-a-vis certain adversaries with a political address and with precise objectives for joint action, identifiable within international frontiers. In this new case of „international terrorism“ and the use of force to eliminate this danger of insidious aggression across borders and oceans, to destroy conspiracies and underground networks including their financial and logistical underpinning, international relations would be changed as would international law and the difference between peace and war would be affected as would the difference between defense and offensive warfare.

One year later, the Bush administration's new „National Security Strategy“ of September 2002 spelled out „offensive defense“ and „anticipatory response“ to terrorist threats, i.p. with nuclear, chemical or biological means of mass destruction, as the core of a new doctrine for „pre-emptive prevention“. Pre-emptive and punitive use of US forces, including with nuclear arms, as a complement to deterrence, out-reaching, wide-ranging mobile forward defence beyond the American continent on strategic fore-fields overseas as a complement to perimeter defence in North America and within the North-Atlantic treaty area, are the strategic consequences for the US and for Nato, once it were called upon to join the action in the outside world. These specifications were not explicit in September 2001, however, the thinking about such a new global intervention and counter-proliferation strategy by military intervention in Washington had been known latest since the mid-1990ies, when president Clinton was in office. The German governments had been aware of this novel strategic thinking, but there had been no political challenge yet to anticipate its results and their consequences for the alliance.

Of all cabinets in Bonn and Berlin, the Schröder government was the least prepared to face such consequences in time. When the new situation broke as the lightning struck (to quote Bush's words in the context of the discussion on pre-emption „do not wait until the lightning strikes“) all the European allies were still occupied with implementing the recommendations of the Nato report on „Lessons learned“ from the Kosovo war of 1999 for the re-structuring and re-equipment of their Nato forces. On international security the minds were fixed on the Balkans and the concerns were on the escalating warlike situation in Palestine since the late summer of 2000 and the persistence of the Arab-Israeli conflict.

The Schröder government had been subjected to its first test of the cohesion of its majority in the Bundestag after the Kosovo war over a minor issue of peace support in Macedonia by sending a small contingent of German troops to help stabilize the situation: The chancellor had to ask for a confidence vote to rally his majority. His foreign minister Fischer called this assignment an operation „to prevent civil war“. September 11, 2001 therefore brought a formidable risk to the accident-prone and fragile „red-green“ governing coalition in Berlin. Relations with the US, participation in international peace support operations and Nato actions with military force, the relations between the new European Security and Defence Policy (ESDP) with its planned crisis response force and Nato were in the centre of German foreign policy preoccupations. In summa, the entire foreign and security policy of Germany was suddenly at stake again, only two years after the successful policy during the Kosovo war.

On September 19 Chancellor Schröder made a second statement of policy to the Bundestag on behalf of his government, addressing the terrorist issue and the international situation, in which he specified the practical meaning of „unlimited solidarity“ with America in political and legal terms within the context of the alliance, i.p. article 5 of the treaty, and the UN, based on the security council resolution 1368, unanimously adopted on September 12. The chancellor invoked this resolution and quoted one of its key paragraphs which states that „terrorist acts“ also constitute a „threat to world peace and international security“ in terms of the UN Charter and recognizes „the natural rights“ of member countries to „individual and collec-

tive self-defence“ against such threats „with all means conform to the UN Charter“. Schröder interpreted the meaning of this wording as „a further development of the hitherto existing international law“ („eine Weiterentwicklung des bisherigen Völkerrechts“), which, in his view, created „the legal pre-conditions for decisive, even military action against terrorism“. He called this „the decisive new“ element and added that from this point on the UN and Nato were in unison qualifying terrorist attacks from abroad as aggression. He followed up in stating that the NAC had rightfully and „with Germany’s full support“ equalled this attack on the US as an attack on „all Nato partners“ and that all allies were equally concerned by it and by further threats of this kind. In his view this was „consistent with the spirit and the letter“ of the 1949 Washington treaty, and in this context Schröder specified that „unlimited solidarity“ with the US extends to „decisive actions against states, which lend assistance and refuge to the criminals, and that in practical terms the allied solidarity „could include military support“. Such support would be given „under the legal cover by the UN“ with the consent by the Bundestag in accordance with German constitutional law. The duty of an ally, however, had a counter-part within the alliance: „information and consultation (on) all necessary measures“.

At this point the chancellor introduced his crucial caveat, which drew the line of „unlimited solidarity“ and of „full support“ for the US, which set the tone for his future argument against unconditional and unlimited engagement in military action one year later during the critical phase of his re-election campaign of 2002: „Germany is ready to take risks, military ones as well, but not for adventures“. He added: „Thanks to the prudent attitude of the US government these will not be asked of us. I think that this will remain so“. What one year later hurt president Bush’s feelings and caused deep irritations in Washington with the German chancellor and his party, the word „adventures“, publicly used to justify German non-participation in any military operation against Iraq and linked by Schröder in electoral rhetoric to the danger of war, he would keep Germany out of, if re-elected, was in the chancellor’s discourse one year earlier, when Iraq was not yet an explicit issue of US policy in connection with „the fight against international terrorism“.

One may assume that the reasons for Schröders attitude were domestic, that he was driven by concerns about party unity behind his government and coalition politics with his „green“ partner, which is an emanation of the so-called „peace movement“ and „anti-nuclear“ populist movement of the 1970/80ies, still mired on neutrality and pacifist ideals, inspite of foreign minister Fischer’s turn towards pragmatic realpolitik in 1999. But it should be noted that Schröder and Fischer would never rely on the use of force as the first option or as the only solution to an international problem. On september 19, 2001 Schröder summed up his government’s position in the new crisis situation in these words, following the pattern of his policy during the Kosovo war in 1999: „Our aim must be to integrate, if possible, all countries into a worldwide system of security and wealth. For this purpose we want to offer further inducives to states, which declare themselves ready for co-operation in the fight against terrorism. For the crisis regions of the Near East and Central Asia we must open perspectives for political and economic stabilization and stability, for peace and development“. To this he added: „Above all, we must join our efforts in doing everything to achieve the break-through to peace in the Near East“ indeed a condition for success in overcoming Arab and Muslim terrorism and avoiding an escalation of a war with Iraq through the Middle East, the contingency most feared in Europe as in the region itself.

When one considers all these elements, one is looking at Schröder’s and Fischer’s approach to the international problems posed to Germany’s foreign policy in crucial areas:

Political solidarity, conditional and limited participation in military operations, only under a UN „mandate“ and in an alliance framework, preferably in a European formation such as EU crisis reaction forces, multilateral policies of stabilization and co-operative economic development, for international systems of collective security on the model of the UN or the OSCE. This is what usually is meant in German political language by „prevention“ with „preventive force deployments“ in crisis areas and „preventive diplomacy“ in line with the 1992 UN Security Council’s Boutros-Ghali „Agenda for Peace“ and the 1992 „Petersberg Tasks“ for the WEU, which have been written into the Amsterdam EU treaty for timely if robust

„peace-keeping, peace-enforcement and peace-consolidation“, including by „combat missions“. But in German official thinking the latter should best be left to Nato forces or to coalitions for specific purposes under the auspices of the UN, since they represent the extreme commitment of military means on the high end of the escalation ladder, where the heavier and more risky missions wait for „the able and willing“ under the conduct by a volunteer „lead nation“ for international „peace support“ and active „crisis management“.

For the dominant German philosophy on international security, „prevention“ certainly has never meant „preventive use of force“, as spelled out one year later, in September 2002, by the Bush administration’s new doctrine in the US „National Security Strategy“ document with such terms as „pre-emptive prevention“, „anticipatory“ response to acute threats and „offensive defense“ of North America. These spearheads of active deterrence and wideranging forward defence, coercive and punitive use of force were not on the books of German foreign policy, not even after the Bosnian and Kosovo experiences 1995-99. September 11 changed the priorities somewhat, but not entirely. At the end of the Kosovo war, in June 1999 German foreign minister Fischer proposed a „Stability Pact for South Eastern Europe“ in order to add a peaceful development programme to the military intervention. This proposal, adopted by the EU, Nato, the UN and the US as well as by Russia, which would have to be implemented by international co-operation, including Serbia, was a complement to the use of force and a demonstration of Germany’s preference for peaceful political solutions to conflicts. All countries of the Balkans and the Danube were to be associated with this typically German scheme, that, if really implemented, would need a very large investment in the region with contributions by all. The Clinton administration, however, made it clear that the US, having to bear the main burden for the Kosovo war, would not financially contribute. Fischer repeated this scheme in late 2001 for Afghanistan with the „Petersberg conference“ for a similar programme to set up and stabilize a provisional government in Kabul and reach agreement between „the donors“ for international financial and economic assistance for reconstruction and reforms. Both initiatives had domestic and international reasons: Internally to

reconsolidate the unity of the governing coalition, shaken by German participation in military operations – in 1999 in the air campaign against Serbia of „Allied Force“, later over the troop deployment to Macedonia in 2000/2001 and later in that year in allied forward deployments to Kuwait, East Africa and the Arabian Sea – and rally its majority in the Bundestag. The exercise was repeated by „Petersberg-II“ in 2002 for a reconfirmation of the agreed programmes after the general elections, which were dominated by Schröders ‘peace or war’ gambit on Iraq, with which he won a small majority in parliament. The SPD party chairman had addressed the Iraq issue for that purpose in the oversimplified terms, he chose with an appeal to the voters and especially to the Eastern electorate, still preconditioned by the affects against Nato and the US, that are the lasting inheritance of Communist propaganda in the ex-GDR. Internationally it was advantageous to put Germany in a high profile position at the UN and in the EU as a model for promotion of peaceful conflict resolution and economic development. To balance the military means and the German role as „lead nation“ in ISAF for public security in Kabul for six months (in 2003) a visible and lasting political role was deemed necessary.

As time moved on in 2002, the Iraq issue filled the international horizon. German participation in the military security management in Afghanistan and in naval control east of Africa formed a sizable and useful contribution to the „coalition“ effort. But once „the war on terror“ (Bush’s favorite formula for the purpose) moved on to other regions, i.p. the Gulf and Middle East, any German active military participation became doubtful. There would be no German contingent, however small or inoffensive, within the context of an intervention in Iraq, since the chancellor had adamantly excluded this during his election campaign. This limitation of German military contributions was obvious from September 2001 on-wards, even in Afghanistan itself. The Schröder government did not announce at the time – early winter 2001 – the deployment and combat role of a small, company-size unit of German special forces under US command in the mountains of the Eastern border region until after the end of „operation Anaconda“ in March 2002. The reason for this ambivalence was clear: The government did not wish to be drawn into a public debate on German forces in combat

and no attention focussed on this aspect of the German role in Afghanistan but instead on German robust peace keeping in Kabul, following the pattern set since 1995 in Bosnia and 1999 in Kosovo: Afghanistan in South West Asia, half a world away, was and still is no battle ground for German combat forces on a larger scale. In order to prevent any development of allied policy in this direction and to keep all options open for the future with regard to similar situations in the Middle East, Central Asia or Africa, the government sought to forestall any larger or longer commitment in and beyond Kabul: This was the main reason for the initial refusal to assume command of ISAF as a „lead nation“, when it was first offered Germany as successor to Britain. The repeated demand was finally accepted for a joint Dutch-German lead role for six months and a prolongation – publicly asked for by president Karzai – was refused.

The policy of reluctant participation and refusal of commitments is visible in other areas of international security as well. The reasons are predominantly domestic and ideological: The German people are not in favour of external commitments outside Europe. There is probably no majority to sustain an international conflict which would demand its toll on Germany in blood, effort and money, at least not as long as Germany were not attacked, i.e. as long as there is no major terrorist aggression in Germany itself. The aversion to war, well understandable and by no means a specific German case, the preference for dealing with Iraq or other „proliferators“ by negotiations to achieve disarmament, shared by most people in Europe, the vague notion, that Islamic terrorism could be somehow overcome or deflected from Europe by different policies than those chosen by the Bush administration and the US Congress, by „intercultural dialogue“ and economic co-operation for a more equitable development – whatever this is supposed to mean in practical terms of policy – combine to an affective opposition, tinged with latent anti-American and anti-capitalist resentments on the Democratic Left in Germany as in other West European countries. This resistance, difficult to dissolve and impossible to simply circumvene, would meet any other government in Berlin as well, its bastion is, however, within the parties of the „red-green“ coalition, even if it is much wider than the electorates of SPD and the Green Party.

It could probably best be overcome by European policies, European unity, a European appeal and European armed forces for European security and defence.

III. By the end of 2002, German policy on crisis intervention and conflict resolution had come round in a circle to where the preferences of the „red-green“ coalition had been in 1998, when Schröders election victory ended the long rule of the conservative-liberal government: No early use of military force and as little engagement of German crisis reaction forces as possible in compliance with the needs to fulfill alliance obligations in Nato and to participate in active crisis management by the EU partners to create the desired „European Security and Defence Identity“ as a political configuration of European autonomy vis-a-vis the US in the alliance and the UN. Later, after 1999, a planned force goal of 50.000 troops for crisis intervention as the German core contribution to the ESDP „Helsinki Head Goal“ for EU crisis response forces (to be met by the end of 2003) corrected the government concept in view of safeguarding German influence on the future ESDP and contribute to „European autonomy“ in Nato according to the principles of the ESDP decision by the EC at Cologne in june 1999 for European crisis response forces and the later decisions at Helsinki and Nice.

However this German government policy has remained ambiguous, since the necessary financial means were not made available either for the modernization of military equipment and infrastructure or for the creation of an effective structure for available ready intervention forces, even if the German numerical commitments to the Helsinki Head Goal could be met. The „Bundeswehr-Reform“, a patchwork of changes since 1990 with incoherent results, still remained an open question at the end of 2002 with uncertain trumpets and a foggy perspective. It remained uncertain whether the objectives of the Nato Defence Capability Initiative for the improvement of Allied Forces Europe, decided by the NAC in 1999, will be achieved. In this respect, the post-September 11, 2001 situation may yet have a positive impact on European defence planning both in Nato and for the ESDP in the EU, if the participating countries commit the resources envisaged and - in both cases - formally promised. This is particularly critical to German for-

eign policy and Germany's role in Nato and in the EU: A special efforts over several years in the order of several billions Euro p.a. would be necessary to lift the German military back at least to the average level of European defence spending and capabilities under changed conditions for defence and security. Intervention capability of the German armed forces in partnership with the EU members and Nato allies should be the central aim and the top priority. This means an operational and logistical „coalition capability“ for the use of German force components with US forces on land, at sea and in the air, based on readiness, interoperability, mobility, versatility and sustainability of the forces to be made available for the defined contingencies.

Here the German case remains critical because of the continuing down-turn of the German economy with rising unemployment and budgetary deficits, causing the growth of the public debt, increase of taxes and decrease of individual average purchase power or even income. If these conditions were to prevail, the decline of Germany would continue and with it of German influence on international security and in Germany's alliances.

The German government policy has already been critically affected and reduced both in its credibility and in its practical capacity, especially since the 2002 election campaign. The deterioration of the American-German relationship since September 2002 is detrimental to Germany's participation in all aspects of international policy and to the German economy. Chancellor Schröder's formula of „der deutsche Weg“, „the German way“, his policy would follow in all international situations to serve German national interests, was not widely understood as a guaranty offered to Germany's neighbours or partners in the EU, since it reminded them of earlier statements by Schröder about German interests coming first, European interests behind, and of German temptations in the more recent past to assume a position in the centre to balance interests and choose advantages, to dominate the situation and to singularize itself, f.e. in dealing with Russia in a bilateral partnership, as offered first by Gorbachev, later by Jeltsin and consistently by Putin, notwithstanding similar Russian advances to France and Britain.

In the early 1990ies Polish, Czech and Baltic governments had been concerned about such a perspective, clearly expressed by Polish president Wałensa. Anticipating these concerns, anticipating such fears or pretended concerns, chancellor Kohl assured the press in a statement without prior question or prodding already in july 1990, after the Moscow meeting with Gorbachev, that ideas about a new edition of „Rapallo“ (1920) were „absurd“ because of the European integration in the EC and Germany’s membership in Nato. However, such and similar concerns , including a political horror scenario about „pangermanism“ as a rebirth of all-German imperialism (Italian foreign minister G.Andreotti in 1990), were voiced at the time in Paris, London, Rome, den Haag and Brussels by EC partners. British PM Margaret Thatcher called for Four-Power-Control of Germany, surveillance of a German unification process by the CSCE and a peace treaty with the two German states, that would need the consent of all former war enemies of Germany to open the road for unification. French president Francois Mitterrand warned of „old spectres of European history“ with a „return to the past“ and invoked „old alliances“ vis-a-vis Germany in case of German national unilateralism. A year later, during the initial Yugoslav crisis, when Germany and Austria recognized the independence of Slovenia and Croatia after secession and war single-handed prior to the date, the EC partners had fixed for 1992, the Italian government urged for a „Central European“ co-operation group around Germany in order to build a political barrier against the expansion of German influence – a containment strategy that did not work out for lack of interested partners but showed the deep-rooted mistrust of German ways. The French government tried to support Belgrade’s claims to maintain the unity of Yugoslavia and Mitterrand spoke in public about „Serbia, France’s historical ally in two wars“ (against Germany).

A political leader with better feeling for national sensibilities and better understanding of history and the political realities of Europe would have remembered ten years later reactions to German unification and the first appearances of German „assertiveness“, then a favourite theme of political debate in America as in Europe. He might also have remembered president Bush sen.’s offer to the RFA in mai 1989 of US-German „partnership in leadership“ in dealing with security in Europe. But Schröder had entered

the national scene as PM of Lower Saxony for the elections of 1998 with only domestic political experience and even the Kosovo conflict, when Germany had to join in a war, had obviously not told him the whole lesson. The result of his falling-out with Bush jun. over a US policy he seemed to judge as „adventure“ in the case of Iraq and making the pointed difference between disarming Iraq and changing its political régime as two completely distinct objectives, the first apparently acceptable to him, the second not, even if Saddam Hussein’s dictatorship and former aggressions against Iran, Kuwait, Saudi-Arabia and Israel between 1980 and 1991 had to be taken into account as well as internal repression of Kurdish and Shiite populations with the use of poison gas, was a loss of international stature even inside Europe. While the German government was neither isolated nor excluded from the councils of the alliance, it lost all influence in Washington and consequently on decisions by major allies on dealing with Iraq. In fact, Schröders stance, which his coalition partner and foreign minister Fischer had shared at first (and even secretly agreed to before the start of the difficult election campaign), resulted in – at least temporary – marginalization of Germany for the conduct of alliance policy on international security and crisis management. Artificial German self-constraints were not new to Nato, the US and the EU partners. But never before had they been so arbitrary, so unnecessary, so offensive to the leading power of the alliance and the world, so risky in terms of Germany’s own security and international influence on Western crisis control strategies and hence so self-defeating for Germany and its government.

This effect was clearly shown immedeately in the fall of 2002 on five major fronts of international politics with particular German interests and problems: The UN conflict resolution policies, EU & Nato enlargening, the new US security strategy and Nato, relations with Israel and with Turkey. For the time being, Germany is neither attractive to Eastern Europe and the future new members of Nato and the EU, let alone considered as the „central power of Europe“, capable of integrating these countries into the European communities and the alliance nor to coalition-building at the UN. As a member of the UN Security Council in 2003 Germany had to put itself forward with an active policy, to stand up and be counted as the other

members during this critical year in international politics between peace and war in discussions on demands and resolutions, in the vote on decisions and for the commitment of resources to act as well as for military participation if demanded by the secretary general of the UN to carry out and impose decisions for „world peace and international security“. In this respect the Schröder governments self-constraint not to participate with military force in any intervention against Iraq even with a UN mandate or UN demand on Germany was particularly counter-productive for the German national interest. The East European candidates for Nato membership always looked west beyond Germany and across the Atlantic to America, but as long as Germany, their most important neighbour to the West was a strong and respected American ally, Berlin was considered the gate to „Atlantic Europe“ and to the EU as well. Germany still is the anchor of US military presence on the continent of Europe and one of the most important countries of the EU. But the end of the East-West conflict has reduced Germany's strategic key position in the central area of military confrontation and enhanced the strategic importance of Britain, Italy in the Mediterranean and Turkey, now in pivotal key position between the Southern part of Eastern Europe with Ukraine, Russia, the Black Sea and the Caucasus, since 1992 open to access from the West via Turkey, not only as the corner stone on the South-Eastern flank of Europe and Nato, central to security in the Balkans, the Eastern Mediterranean and the Middle East between the Levant, the Caucasus and the Gulf, as one of Clinton's chief negotiators, Deputy Under Secretary of State Richard Holbrooke said in 1994: „One of the two strategic allies of the US in Europe and on all three fronts Balkans, Caucasus and Gulf“ (the other being Germany). September 11, 2001 reinforced the geopolitical-strategic importance of Turkey for the US and all US military operations in the wider region. In the fight against terror, Turkey has another key role as the only Muslim country with a secular democracy, however imperfect, a privileged position as former Great Power of Europe in Ottoman times over almost five hundred years with firm links to the Orient and since Kemal's day a resolute Western orientation with growing influence of the American-European civilisation on the political, economic and cultural evolution in Anatolia. The US has supported the

Turkish claim to be part of Europe from the very beginning of the euro-atlantic alliance with Turkish participation since 1952 as a bilateral ally and client of American power. The Clinton administration tried to promote Turkey's admission to the EC/EU and the Bush administration has followed this example in the American interest.

The EU members have come under American pressure to open Turkey a perspective of entry into the EU beyond the customs union and the „strategic partnership“ with the EU, offered several times by Germany since the mid-1990ies, an offer underlined only in 2001/02 by foreign minister Fischer. It is however, far from clear where the German interest lies on this issue and how it could best be served, i.e. what policy on Turkey Berlin should adopt and try to make acceptable by the EU governments. In 2002 the German government came under massive US pressure to make itself the advocate of Turkey's early admission to the EU. This and the recognition that the EU needs Turkey for the implementation of its ESDP in crisis contingencies both as a Nato ally for its consent to use Nato assets independently and as a central geostrategic position around which some 80 p.c. of the defined contingencies for deployment and employment of EU crisis reaction forces revolve, would seem to be the compelling reasons for the change of the German attitude towards Turkey's demand to accede to the EU in the coming years, while there are reasons in favour and reasons against. These reasons should be debated first in open consultations amongst the EU partners without external pressures and the pressure of time. For Berlin in late 2002, the Franco-German proposal to the Copenhagen EC on EU enlarging with regard to Turkey, to start negotiations with Ankara by 2005, was the only way out of a political predicament, which Schröder and Fischer had deepened during the last months.

The Chancellor's cautious and even skeptical attitude in Copenhagen in December as to the perspective of an admission of Turkey in the years after 2005 and his mentioning of the issue of Turkish immigration as being of critical importance to the EU, showed the depth of the dilemma, that had been created long before his time and that Germany could not escape from, unless it were covered by its European partners with American understanding for German requirements as to limitations of free movement of persons

between Turkey and Europe - Germany with its already large Turkish community being the prime aim of Turkish migration to Europe.

More pressing was the short term concern about military assistance to Israel by making arms available for its defence: American „Patriot“ anti-air missiles with a limited anti-missile capability, two modern German conventional submarines to be built in co-operation by Israel, light armoured personnel carriers for the Israeli infantry. While there never was a way around the US „Patriot“ systems in the German stores to be delivered to Israel on demand, whatever German policy and the state of US-German relations, after Schröder's electoral éclat with the incrimination of US crisis policy vis-a-vis Iraq and Saddam Hussein as „adventure“, the German government did not even have much time to bow to the American/Israeli demand. Chancellor Schröder had to modify his government's position on this issue as he did on the German „Fuchs“ light armoured vehicles for ABC discovery in Kuwait.

The most critical development was on the central issue of war and peace, Schröder had so adamantly posed to the German people instead of to the American president, in order to exercise influence on US policy and strategy. It was French diplomacy in New York and Washington which obtained the American concessions on the phrasing of UN SC resolution 1441 on the inspections of Iraq and the consequences to be envisaged in case of non-cooperation by Bagdad or non-compliance of international agreements such as the NPT and the other treaties on bans for C and B MMD or the UN armistice conditions of 1991 after 16 UN resolutions which Bagdad ignored. German influence was marginal at best in the UN since Germany was not a member of the SC in 2002 and it was close to zero in Washington on how to deal with Iraq. This would change at the UN in January 2003 when Germany took a seat in the SC. But rarely ever since the Gulf war in 1991 did the five permanent members weigh heavier on the scales of decisions. Germany would have to accommodate not only the US but also Britain and France, Russia and China without the former assured close relations with the US and American support for German initiatives.

The new US National Security Strategy with its concept of „pre-emptive prevention“ and military „counterproliferation“ by armed intervention and coercive-punitive use of force, in sum by „anticipatory“ responses to threats, including with nuclear arms to deter or punish the use of chemical or biological MMDs against the US or US forces, bases or allies, and widely ranging mobile forward defence of America overseas, in case of urgency by „offensive defence“ (Bush), poses a challenge and a whole set of political problems to the European as to the Oriental allies of the US. The creation of a multilateral crisis response force in Nato with US participation, to be used in operations with US forces under US command & control for common purposes and interests, is another political and military-financial challenge to all European allies, i.p. to Germany with its many qualifications for active participation in the employment of the force and crisis intervention (the German naval units deployed in operation „Enduring Freedom“ east of Africa and in the Arabian Sea are not allowed by Berlin to engage or seize foreign ships and in general to use their arms to coerce). On both major issues, strategy and joint operations in crisis response with US forces, Germany needs to bring its weight to bear. The consequences of September 11, 2001 show why, also why the German influence has been reduced and how it could be built again.

Álvaro de Vasconcelos

The future of EMP security cooperation

Political and security co-operation within the Euro-Mediterranean Partnership is currently experiencing near-paralysis due to the collapse of the Middle East Peace Process. Back in November 1995, when the Barcelona Declaration was signed, hopes for a successful peace process were running high. The September 1995 handshake between Yasser Arafat and Isaac Rabin was still considered a history-making image, over which the dark shadow of the Israeli prime-minister's assassination had not yet been cast. True, it had been decided from the outset that the Middle East peace process would be outside the scope of Barcelona's first basket, primarily because it was the affair of the Americans. The United States did not seek or want Europe's involvement in bringing about peace to the region, nor did the European Union seek to even remotely involve the US in its Barcelona endeavour, which was to remain strictly a Euro-Mediterranean preserve. The deterioration of the currently defunct peace process, however, which in fact began with the assassination of Rabin by a Jewish extremist, and the advent of Netanyahu's government increasingly contaminated the political and security dialogue within the EMP.

Devising and implementing confidence-building measures, or even partnership-building measures as they were later to be termed, became an impossible task. Aside from the EuroMeSCo network and the training seminars organised by the Maltese Academy of Diplomatic Studies, the list of functioning confidence-building measures in the political-security arena is limited to the Egyptian-Italian initiative on sea rescue. The long and arduous negotiations in 1998-2000 in order to draft a Euro-Mediterranean Charter on Peace and Stability came to no successful conclusion. Even if the French Presidency spared no effort towards that end, the Charter was not

endorsed by the Marseilles Ministerial and is still pending approval. It will most certainly not be adopted in the near future except in the unlikely event of fresh hopes for peace in the Middle East. Without the Charter being adopted, there is little hope for any kind of meaningful multilateral security co-operation to be developed outside the framework of CFSP or ESDP between the Union and its Mediterranean partners.

In order to overcome the current stalling in the political and security basket, and avert frustration and fatigue created by a succession of meetings where dialogue is at times notoriously absent and which are leading nowhere, it has been suggested that all hard security issues should simply be abandoned. Efforts should be placed on soft security co-operation instead, and especially in establishing a free trade area, as originally intended. It is perhaps useful to revisit the Barcelona Declaration in light of its original stated aim – to create a Euro-Mediterranean area of peace and stability, democracy and shared prosperity. What is, in other words, the road to peace in the Middle East and the Maghreb enshrined in the Barcelona Declaration? The answer to these fundamental questions will largely determine the role and the relative importance of security co-operation within the EMP.

The Barcelona Process is a North/South integration project that aims to achieve peace and security based on principles of democracy and inclusiveness. This means expanding southwards the European area of ‘peace and prosperity’ through a process of inclusion, which falls short of integration proper and relies chiefly on the establishment of a free-trade area, through a set of association agreements with the European Union as a first stage. The agreements provide for financial assistance tied to political conditionality. Therefore, it is necessarily a long-term initiative, especially when observing the stalled progress in establishing the rule of law, democracy and fundamental rights in southern countries. It is a comparable process to the one developed towards the future candidate-members of the European Union in the nineties.

In reality, EMP security cooperation is not essential to meet these goals. One has only to think that where pre-accession co-operation agreements with Central and Eastern Europe were concerned, political and security co-

operation was given the lowest priority. The level of political and security co-operation will certainly be a measure of the progress and ultimate success of a Euro-Mediterranean grouping, but it is questionable whether it is one of the main conditions to bring it about. In other words, political convergence is a necessity if a Euro-Mediterranean grouping is ever to emerge, and the degree of political and particularly security cooperation at the multilateral level shall reflect progress achieved overall. At this stage, however, the fundamental aim, and the bulk of efforts, should concentrate on translating into reality the political, economic and social goals enunciated in Barcelona, bearing in mind that a comprehensive approach remains crucial towards that end. Clearly, the resolution of differences and conflicts that impede co-operation between partners and thus the fulfilment of the Partnership's objective is essential. This is notably the case of the Western Sahara, and more so the state of war between Israel and Palestine, without which regional co-operation in the Maghreb or the Middle East is inconceivable. Efforts towards the resolution of these differences and conflicts should certainly be vigorously pursued in parallel by EMP members through other fora of which they form part.

In order to keep the Barcelona security dialogue alive, attempts at resolving or managing crises should be abandoned. Instead, the dialogue should concentrate on the development of a shared vision of security which characterises a regional process such as the EMP, which is implied by a process of inclusion founded on the deligitimation of nationalism especially in its radical or extreme variants. Should such a vision be adopted, it would become self-evident that confidence-building measures among southern partners are far more important than North-South ones.

As far as hard security is concerned, however, the EMP is clearly not the appropriate forum for co-operation at this stage. It is inadequate either to promote defence co-operation, or to resolve the current serious crises across the Mediterranean. The fact remains however that Barcelona can make no real progress in the absence of a satisfactory outcome for these crises, and the European Union will strive to ensure a strong commitment to their resolution on the part of the international community. Most importantly, the fact that hard security co-operation is not feasible at 27, at the

multilateral level, does in no way mean it cannot be developed by the European Union proper, either multi/bilaterally or with groups of willing and able southern partners, within the framework of CFSP/ESDP. This is one of the policy options strongly suggested in the report on *A European Strategic Concept for the Mediterranean*, in line with findings of a EuroMeSCo report on the impact of ESDP. The latter concluded that ESDP “has not generated adverse reactions in the Mediterranean and, in some instances, has even raised hopes that the European Union would take on a more active and decisive role on the world scene.”

The European Union should therefore seek to develop “variable geometry” security and defence co-operation in conjunction with its southern partners. Measures or actions would not necessarily involve all Fifteen, and some thought should be given to what use smaller groupings such as the Five+Five or the Mediterranean Forum could be put in this respect, as well as bilateral defence agreements between European Union and Southern EMP members. There is a stark contrast indeed between the reality of internal and external security co-operation among individual EMP partners across the Mediterranean, and the difficulties currently experienced at the multilateral EMP level in this field.

Shared vision and common language

Though it should not lose its long-term ambition of decisively contributing to resolving crises across the Mediterranean, the EMP political and security dialogue should concentrate on producing a shared vision of security and a common language, as well as devising measures to foster mutual trust. At the current stage, this kind of exercise remains the best hope for the EMP to weigh decisively on the realm of security and the best hope for re-launching the security debate within the Partnership. Seeking to develop a common definition of its content and of the main issues which form part of it. Furthermore, this is indeed a necessary exercise to consolidate a future regional Euro-Mediterranean regional group.

Common definitions are also a precondition to ensure the Process remains coherent, and a virtuous inter-linkage between all three baskets is achieved,

as opposed to a mutually-defeating rationale. Again, it should be borne in mind that the principles of democratic inclusion are reflected in the Barcelona Declaration. The declared aims of the Partnership are that peace and security should be achieved through an integrated or comprehensive approach. This is, indeed, the principle inherent in all three EMP baskets since they should integrate with each other, thus making the Barcelona Process itself viable. It is apparent that progress including in the creation of a free trade area is conditional to political convergence as far as the rule of law and human rights are concerned. There will be no trade, let alone free or fair, if the neighbour remains the enemy. On the other hand, the direct link between the rule of law & accountability and economic development is far greater than it is often appreciated. A recent report on Portugal, for example, suggests a reform of the judicial system would bolster growth by 0.6 per cent of GDP.

Seeking a shared vision of security is all the more important since the post-11 September international environment has prompted all-encompassing notions of security, or in other words a pervasive security-driven approach which has fatally blurred the distinction between domestic and external security concerns. This is a particularly worrying trend in societies experiencing political transition, and can seriously hinder or impede the reform process. The fact that the Bush administration sees terrorism as the overriding threat that shapes the whole international security agenda has allowed some states to justify their own strategies in similar terms. Such an approach is having a devastating effect on state policies in societies that face terrorist activities and in those states where Islamist political forces are excluded from the political process. The reason for this is that such approaches are used to justify repressive strategies and, in some cases, to reinforce authoritarian practices.

The debate on the concept of comprehensive security thus gains renewed importance, and should thus be viewed as central in the quest for common definitions within the EMP. This is especially the case since divergences in respect to the rule of law have widened within the EMP, and this aspect is fundamental not only to the protection of human rights but also, as high-

lighted above, for the very feasibility of a free trade area which can attract investment.

In the context of EuroMeSCo, a number of policy recommendations have been made in this regard, in order to prevent that the pursuit of peace and stability as the ultimate goal to which everything should be subordinate could result in the opposite outcome. I would like to stress the following:

A clarification of the meaning of a comprehensive security concept is necessary, for it is plain that “comprehensive” or “integrated” security does not mean the same thing to people from different security cultures, and can be understood as an authoritarian-driven, “total-security” notion. Thus, the term *security* itself must be restricted to issues that imply the use of force. In order to indicate the *comprehensive* nature of the Process, i.e. the need for the approach to its three “pillars” and the policies they generate to remain coherent, thus making individual contributions to the overall objective of peace and stability, the term *comprehensive approach* or *comprehensive policy* should be preferred. Integrated or comprehensive policies must make a clear linkage between security, democratisation and economic development – as well as between the latter two concepts as mutually reinforcing sides of the same coin.

All internal security issues, including anti-terrorism measures, must be strictly linked to co-operation over issues of justice, fundamental rights and freedoms. Migration must be separated from security altogether.

The role of civil society should be reinforced as a vital element to generate mutual trust and to ensure good governance within a comprehensive policy.

It is both possible and desirable to seek a EMP-wide conceptual definition on which a common language can be built. This exercise has already been launched as far as the definition of terrorism is concerned, which is currently the main issue, bearing in mind the difference between “national” and “international” terrorism, as well as the need for a vehement condemnation of all kinds of violence against civilians.

Ahmed Driss

After September 11, is there a future for the Barcelona Process?

After September 11 is there a future for the Barcelona process? The question is put in order to make understand that September 11 is a fateful date for the Process as besides for all the globe. The question is very suggestive in the sense that it affirms that the process doesn't escape effects of September 11 and challenges us on the reach of these effects.

Indeed There is no doubt that events of September 11 mark this beginning of this century and will mark the world for again a very long time.

I would not stop on these events nor on their fallouts on the world, it is not our subject, but what it would be interesting to analyse that is to know if the Barcelona process suffers as many effects of events of September 11 as of other factors that block its advanced and that exist already long before this date.

Indeed, the Barcelona process has been thought and has been conceived like a process whose goal was to create a certain homogeneity in a geographical space considered how often contradictory and in which the incomprehension reigned between these residents. The Barcelona process is wanted as the most coherent tentative to promote a global politics aiming to establish "a zone of dialogue, exchange and co-operation that guaranteed the peace, the stability and the shared prosperity in Mediterranean". These objectives reflect the different problematic that knows the Mediterranean, and the Barcelona project is going to try to look for the coherent answers to these problematic. The three baskets of the partnership testify some of the global character assigned to this process; a globality whose final objective

remains the stability in the Mediterranean. However this one depend essentially and in large left of socio-economic factors and politics that the process, in spite of the ambition of these inventors, don't manage to contain.

The economic difficulties that touch countries of the south, the demographic structure as well as the differential crescent of the standard of living between the north and the south of the Mediterranean constitute sources of destabilisation at present insoluble.

A long time therefore before events of September 11 the Barcelona process was the subject of numerous critical. On the financial plan and in general manner, if the whole of credits programmed to the title of MEDA has been hired well, the rate of payment remained very weak since it doesn't only pass the 26% of engagements.

But it is especially the first basket of the partnership (politics and security) that didn't know hardly of advanced and that remained blocked to the initial stadium.

The advanced in this basket remain tributaries of destabilization factors essentially bound to the conflict in the Middle East, and it is important to remind in this respect that the Barcelona process has been launched in a regional and international context in which all indicated that odds of stabilization of the Middle East are well real. Barcelona came to come with the Israeli-Arabic peace Process, launched to Madrid in 1991, confirmed thereafter by the Israeli-Palestinian Oslo Agreements. The peace seemed committed on an irreversible way. A specialist of the Middle East wrote that the peace had to assure the takeoff of the euro-Mediterranean partnership project thus and even to drag him in the wake of the results gotten.

Premises of the stabilization of the region permitted the emergence of a process that wanted himself global therefore, but as independent of the peace process. Partners wanted to separate thus the two processes in order to optimize odds (chance) of the partnership. But although the direct actors to the conflict have all the time separated the possibility to use the setting of Barcelona like a subsidiary setting, it didn't prevent interference between the two processes, giving back, especially Barcelona the hostage of the peace process. the second Intifada that explodes in September 2000 re-

After September 11, is there a future for the Barcelona Process?

duced to nothing all hopes bound (linked) to this process and block all advanced in the euro-Mediterranean partnership. Events of September 11 come to give the stroke of grace.

Europe had opted just as the process of peace was launched, to privilege the American sponsorship and it doesn't have not to antagonize his efforts, no opted more to make of the process of Barcelona a setting of relay for possible talks if the first process comes to be stopped; what makes that after September 11 the European union found again resourceless and incapable to take the relief on an actor (US) too occupied by his " new cold war", the engagement of the United States in their war against terrorism dismiss the Middle East conflict of priorities of the hour.

Already before September 11 the President Bush had announced his intention to disengage himself of the Israeli-Palestinian conflict, events of September 11 rather contributed to hardening American position vis-à-vis the Palestinian claiming, and a total alignment on the Israeli positions. A parallel is established quickly between the international terrorism and Palestinian attempt-suicide authors, an Israeli-American almost-fusion in only one strategic entity (the two States considered themselves as the privileged targets of islamiste terrorism ") what contributes to affirm that September 11 opened a new era in the international relations that was never as favourable to the security interests of Israel, and also to confirm that the whole of the international community, put aside the United States, and that tempts in vain to promote a political exit to the crisis, remainder incapable to make bend the American positions or, to be able to make pressure on the Israeli government.

Initiatives that come tempt to make its initial dimension bring back the conflict on all sides and whose resolution raises the international right.

It is this situation that therefore, contaminate the Barcelona process and paralyses it. Partners of the south of the Mediterranean blame their European partner his lack of engagement in charge in the hold of his responsibilities in the management of the Israeli-Palestinian conflict; the question who puts himself is the one to know if he is capable, if he has the necessary means? it is clear that no.

But that Europe is capable or no to take his responsibility in this conflict, his erasing facing the American actor demonstrates, that one of baskets of Barcelona remains unworkable to the less. All the more reason that this erasing is not quite neutral, since Europe often shares with the United States and Israel their definition of terrorism, which is a general definition that separates all distinction between terrorism and act of resistance when it is about liberation struggle against the colonization.

This absence of bringing together in the perception of certain concept between residents of the north and the south of the Mediterranean, contribute to the blockage of the process also. After September 11, the gap in the perception of these concepts is enlarges. A certain phobia seize of the north-Mediterranean, some considered that the geographical proximity with North Africa and the Medel-East, added to the fact that Europe "shelters an important Moslem minority, susceptible to the confusion of this region " giving back Europe more vulnerable to the terrorist threats, and it is therefore in his own interest that she should affirm his solidarity with the anti-terrorist struggle of the United States ". September 11 would contribute to encourage an anti-terrorist alliance that would come to substitute itself to the euro-Mediterranean Partnership and it is nearly impossible to join the two, because it is unbearable that Europe comes to propose to his southern neighbours, a setting of peace of stability and common security and in the same time to align on positions of the United States in the research of a new global enemy. And it is just as incompatible to propose the institution of a free exchange zone in Mediterranean and to continue to close of a very hermetic way his borders to all human exchange with the south. The recent positions of a certain number of European countries vis-à-vis the crisis with Iraq, let get settled the hope to see Europe departing of the American ascendancy.

But the all first emergency it is to see Europe taking the initiative to throw back a dynamics of peace in the Middle East, Europe will be able to contribute to the stake there of a protective international strength of the Palestinian civil populations, she can also make pressure on the Israeli government while suspending the agreement of association, of which a certain number of terms is raped by Israel.

After September 11, is there a future for the Barcelona Process?

It is certain, at the present hour, and as recalled it the former French foreign minister, H. VEDRINE, at the last annual conference of EUROMESCO (Paris February 2002) that it is not more possible to work usefully in an as global setting which is "Barcelona". The idea that is currently extensively shared is that it would be necessary to introduce a certain suppleness to allow the particular regions of the Mediterranean to advance better than of others.

"Barcelona" could survive if he is not anymore the hostage of the problem who has the more to regress following events of September 11: the Middle East.

Volker Nienhaus

Future Challenges from the Mediterranean for German Foreign Policy: An Economic Perspective

The aim of the EU Mediterranean policy is the creation of a region of peace, stability and prosperity. There are challenges of different type threatening the attainment of these goals, which are shared by the German foreign policy, now and in the foreseeable future. They include the ongoing or even escalating violent conflict between Israel and the Palestinians and the possibility of an external US military intervention in Iraq. Besides these evident challenges a large number of less obvious challenges do exist, and this paper shall highlight three of them which have an economic dimension.

Economic problems of Mediterranean countries as such are not a challenge to the German foreign policy, but they can become a challenge when they put the political stability in the Mediterranean Partner Countries (MPCs) at risk or when they induce serious adverse effects in the EU such as uncontrolled migration or illegal trade practices. Economic problems of MPCs should also be considered a challenge for the German foreign policy if they are aggravated or even caused by policies of the EU.

1. Continuity in Substandard Regional Economic Performance

The economies of most MPCs are presently in a bad shape (or even in a deep crisis as, for example, Turkey) which can partially be attributed to the effects of September 11. However, economic problems are by no means

new phenomena in the region. The Arab Human Development Report 2002 paints a rather gloomy picture of the substandard long term achievements of the Arab world.¹ Although it is undeniable that Arab countries have progressed in some fields of human development which resulted, for example, in an increase of the life expectancy of men and women. However, the overall results are rather disappointing given the region's richness in natural resources. Compared with its vast potentials, the Arab world was underperforming during the last decades. Its relative position in the 'economic world league' tends to deteriorate further in coming years because the process of development has gained much more momentum in most other parts of the world. Following are just a few trends which cause concern:²

Over the last 20 years the average annual growth rates of the per capita income in the Arab world was a meagre 0.5%; no region in the world except sub-Saharan Africa performed worse.

There is a widening productivity gap to the disadvantage of the Arab world: While the total factor productivity declined in the Arab region since the 1960s, it increased in the rest of the world (and particularly in South-East Asia). The labour productivity improved in the Arab world in absolute terms, but in spite of this, the relative position deteriorated because of a much faster increase in the rest of the world.

Unemployment in general and youth unemployment in particular is very high in most MPCs. This leads to a pressure on real wages or even a downward trend in several Arab countries.

Further problems "comprise, *inter alia*, high illiteracy rates, the deterioration of education, the slow-down of scientific research and technological development, poor production bases and competitive capacity, rampant

1 UNDP 2002. The Arab Human Development Report covers the 22 member states of the Arab League. Thus its regional coverage is not identical with the group of MPCs, but there is a considerable overlap and the general observations of the report are of relevance for most MPCs.

2 A collection of key economic indicators (from the World Bank database "World Development Indicators Online", downloaded December, 2002) can be found in the appendix below.

poverty and mounting unemployment rates.³ In its press release, UNDP draws the conclusion: "It is evident that in both quantitative and qualitative terms, Arab countries have not developed as quickly or as fully as other comparable regions. From a human development perspective, the state of human development in the Arab world is a cause for concern."⁴

Another recent report of the FEMISE Network is more precisely focussed on the MPCs,⁵ and it also does not arouse any enthusiasm regarding the economic prospects of the Southern Mediterranean.⁶

The low labour productivity and the worsening of the positions of MPCs in the international competition are confirmed. Further the wide (and possibly even widening) gap between that growth rate which is needed to absorb the growing labour supply and the actual growth rate of MPCs is highlighted.⁷ The need of (much) more technological progress, training and innovation is stressed.

MPCs suffered from consecutive droughts over more than a decade. A better access to the European markets is an issue of high priority for Euro-Med negotiations.

There was a modest progress with respect to the dismantling of very high trade barriers. "Yet, this trend was .. slower than in other regions during the last decade, so that MPC have one of the most protected regions in the

3 UNDP 2002, p. V.

4 UNDP 2002a.

5 FEMISE 2002.

6 Numerous analyses of economic problems and perspectives of the Mediterranean resp. Middle Eastern region and individual countries can be found in the internet documentations of the Mediterranean Development Forum organized by the World Bank in 1997 (www.worldbank.org/wbi/mdf/mdf1/index.htm), 1998 (www.worldbank.org/wbi/mdf/mdf2/index.htm), 2000 (www.worldbank.org/wbi/mdf/mdf3/index.html) and 2002 (www.worldbank.org/wbi/mdf/mdf4/index.html). Additional material and publications are provided by the Economic Research Forum (<http://www.erf.org.eg/>) and the Egyptian Center for Economic Studies (www.eces.org.eg/), both located in Cairo. Further, the websites of the Euro-Mediterranean Study Commission (EuroMeSCo, <http://www.euromesco.org/euromesco/matrix.asp>) and the FEMISE Network (www.femise.org/femise2002studies) and further links.

world today.⁸ The (unweighted) average tariff rate for 1997-1999 was 12.4% for all developing countries, but it was more than 20% for Algeria (24%), Egypt (20%), Morocco (22%) and Tunisia (30%).⁹ In addition, all countries apply non-tariff barriers of various types.

Various free trade agreements among MPCs have reduced or even eliminated trade barriers within the region, but in spite of this liberalization the intra-regional trade remained as marginal as before (around 5%)

The MPCs are no attractive locations for foreign direct investment (FDI) – neither from Europe nor from the rest of the world. In some years FDI account for impressive growth rates, but from a very low starting point (and with numerically less impressive but nevertheless sharp downswings in other years). The share in global FDI is well below 1%, and in the early 2000s it is even below the level of the early 1990s. The share of MPCs in the FDI of the EU (including intra-EU FDI) fluctuates somewhat around 1.5% with no clear trend since the middle of the 1990s, i.e. since the beginning of the Barcelona process. Against this background it requires quite some optimism to believe that the necessary modernisation of the industries of the MPCs will be facilitated by a large inflow of FDI. It has to be recognized that the MPC have improved the conditions for FDI and became more attractive locations since the late 1990s compared to previous years. But this does not help much because the rest of the world (esp. Latin America in the second half of the 1990s) has made even more progress.

The dominance of the public sector in manufacturing and finance has been reduced in most MPCs, but privatization programmes are not completed and public enterprises are still burden (not only) to the budgets in several MPCs. Privatization in the South Med region is considered slow by international standards. To this day, the public sector still dominates most South Med economies, far more than in other low and middle income countries in the world.¹⁰

8 FEMISE 2002, p. 27.

9 FEMISE 2002, p. 28.

10 FEMISE 2002, pp. 74-75.

FEMISE has summarized the major problems of MPCs in a headline: "Specialization and competitiveness are not favourable to high growth and this increases the vulnerability to shocks".¹¹ In addition to these economic troubles, the political scene of most MPCs is also rich in problems. However, they cannot be dealt with here.¹²

2. Unemployment, Structural Adjustment and EU Support

After the dismantling of the protection against imports from the EU within the framework of the Euro-Mediterranean Free Trade Zone,¹³ most of the traditional industries in the MPCs and smaller producers as well as inefficient large state owned enterprises will come under heavy competitive pressure from EU suppliers. The owners and managers (but also the employees) of small and medium enterprises (SMEs) and state owned enterprises (SOEs) will suffer from a loss of protection rents. If the support of these groups is crucial for the political survival of the present regimes, it is very hard to believe that governments will abolish all economic rents and introduce an open and competition based market economy. It is more plausible to assume that new forms of rent seeking will emerge and new sources of rents will be opened up. This will create new distortions and inefficiencies in the economies of the MPCs.

The problem with large scale rent seeking is that it diverts resources from welfare enhancing productive uses to welfare distributing efforts and rewards 'political' investments instead of productive investments. Further, the politico-economic system becomes less transparent and less open and generates an uneven and unjust distribution of income and wealth. In short, rent seeking is an obstacle to economic development.

If German foreign policy is concerned with economic development in the MPCs, it should not support rent seeking strategies. However, it may well

11 FEMISE 2002, p. 40.

12 A collection of updated political country studies Long, Reich 2002.

13 For more details and a critical assessment see Nienhaus 1999.

be that the support of the EU for the structural adjustment policies in the MPCs creates on a large scale new rent seeking opportunities. One has to keep in mind that, on the one hand, it is technically very difficult to reach the target groups for structural adjustment support, and that, on the other hand, there is a basic conceptual problem with respect to EU's efforts to improve the competitiveness of MPC firms: A major concern is unemployment induced by the opening of markets to superior competitors. The EU offers assistance for the modernisation of MPC firms in preparation for the intensified competition. This may benefit the owners of enterprises, but hardly the employees: Unemployment could only be prevented if the MPC firms can manufacture the same products as their European competitors at comparable costs with more labour intensive technologies. This requires that efficient technologies of this (labour intensive) type are available and that the labour costs per unit are considerably lower in MPCs than in the EU.

It is doubtful whether productivity adjusted labour costs in MPCs are particularly low – in spite of the recent pressure on real wages: Qualified labour seems to be a scarce and relatively expensive resource in many MPCs. Only unqualified labour is cheap, but not as cheap as in several countries of Eastern Europe, the former USSR and South Asia. Against this background, it is hard to identify 'appropriate technologies' to enhance the competitiveness of MPC firms without a substantial reduction of staff. But even if such technologies could be identified, it is not obvious why EU firms should apply them in MPCs and not invest in countries where labour costs are even lower and the growth dynamics higher than in the MPCs. In general, it should not be forgotten that the EU bureaucracy cannot enhance the competitiveness of the MPCs by itself but only in close cooperation with European enterprises as potential investors or partners in value chain networks. But for most European enterprises, the creation of the Euro-Med Free Trade Zone will change not much with respect to the quality of the MPCs as locations for investments: The asymmetric association agreements granted producers of manufactured goods (excluding textiles) located in the MPCs a nearly unrestricted access to the European markets since many years. Thus, if location advantages would exist, they could

have been exploited by European firms in the past already, but not much has happened so far. On the contrary: It cannot be ruled out that in the past a strong investment motive for some European enterprises was the protection of the relatively large domestic MPC markets (such as Egypt) which will be abandoned when the free trade agreement enters into force.

In total, one cannot reject the hypothesis that the EU trade policy will cause open unemployment. The structural adjustment support can at best mitigate the problem but certainly cannot solve it. Increasing and persistent unemployment can create anti-European sentiments, destabilize political regimes and induce a migration pressure which was to be prevented by the Mediterranean policy. These are potential future challenges for the EU and for the German foreign policy. Germany has specific experiences with persistent unemployment and structural adjustment in the New Länder. It should know best that market orthodoxy and support of enterprises on the microeconomic level do not always solve macroeconomic problems. Fresh thinking and some unconventional approaches (e.g. for temporary wage subsidies and the installation of adapted social security systems) may be necessary in order to minimize the frictions and reduce political tensions caused by the far-reaching structural adjustment needs.

There is no question that structural adjustment, liberalization and privatization are necessary in the long run. What is questioned, however, is the timing and sequencing as well as the choice of particular instruments.

3. Crises, Opposition and Reactions of Rentier States

The economic prospects of the MPCs are, in general, not very bright, and in several countries the economic situation can be characterized as a crisis. This is not new to the people in the region. Therefore, a poor economic performance or an economic crisis as such is not a real challenge. However, it seems that the today's crises gain a different quality:

There is a growing and accumulating frustration and disappointment. People realize that the rest of the world – including formerly crisis-ridden countries in Asia as well as formerly socialist transformation states – is re-

covering and developing much faster than the South Mediterranean resp. Middle East. After failed socialist and statist economic policies, many governments have propagated market oriented systems, but the economies did not take off as hoped-for after at least a decade of reform rhetoric.

The stock of unsolved problems is growing. Regional disparities, for example between the capital and rural areas or costal regions and arid zones, have not been levelled out. On the contrary, market reforms have contributed to a further polarization of economic activities in the industrial and commercial centres without trickle down or spill over effects for the rest of the country. Domestic savings are insufficient to finance the productive investments which are needed for a perceptible improvement of the economic situation. Foreign direct investment could bring some relief, but the level of inflows into the MPC is very low, and FDI is concentrated on very few countries (mainly Israel, Egypt and Turkey) and often concentrated on the oil and petrochemical sector. In spite of a reduction of the population growth rates over the past years, the high birth rates of the 1980s imply that large numbers of young people are looking for jobs today, but their prospects in the labour markets are gloomy. Youth unemployment is estimated to be as high as 30% to 50%.

It gives cause for concern that a growing number of people no longer believe that the present regimes do have the capacity (or willingness) to solve their problems. Once people lose hope of a betterment of their situation, the individual 'opportunity cost' of violent resistance and radical protests decrease and their probability increases. Such tendencies can be seen in countries like Algeria or Egypt. The reactions of the regimes may pose a future challenge to EU governments.

In Algeria the military is (still) backing a civil government whose weak democratic legitimization has not been strengthened by the recent elections due to a very low voter turnout. Growing regional disparities and discrimination against the Berber population lead to riots which were suppressed by security forces.¹⁴ In order to contain the erosion of the living conditions of various politically important groups of people, the government spends

14 EIU 2002, PRS 2002.

about one third of its budget for subsidies of different kinds (including subsidies of food stuff). Further, ethnic clashes and Islamist terrorism were main arguments to slow down reform policies directed towards more competition and openness of the economy. Critical observers note that this factual termination of the transformation towards a market economy serves in particular the economic interests of the security forces which are closely intertwined with large (but inefficient) state owned enterprises.¹⁵ It seems that under the 'guidance' of the military the rentier structures of the past are conserved (resp. modernized). This is neither in a national perspective nor with respect to the obligations taken on by the agreement with the EU a sustainable policy. None of the pressing problems of the country will be solved by the postponement of necessary reforms.

A similar political strategy in a less violent environment (and with less political involvement of the security forces) can be seen in Egypt. As long as the government was dependent on the financial support of the IMF to overcome external debt problems, it did follow the recommendations of the Bretton Woods institutions regarding macroeconomic stabilization, micro-economic liberalization and structural adjustment. But earlier this year – when Egypt's support of the US 'war against terrorism' paid politically as well as financially – the government changed its strategy considerably and embarked upon an expansionary macroeconomic policy (with considerable wage increases in the public sector, growing social expenditures and increasing subsidies of various types) and slowed down (factually halted) the privatization and liberalization programmes.¹⁶ Officially this revision of the reform policy was justified with the intention to support the weaker segments of the society and to shield the population from hardships associated with further structural adjustment (esp. increasing unemployment) in a situation of economic weakness. Given the present lines of geopolitical conflicts, the Egyptian government will hardly be confronted with harsh critique from its Western allies – even if they disapprove the suspension or partial reversal of market oriented reform policies. It cannot be ruled out that statist political forces in Egypt have anticipated such a non-reaction

15 ICG 2000, 2001.

16 EIU 2002a, Semich 2002.

and took advantage of the favourable situation in order to stop the erosion of their economic rents or even to make new sources of rents accessible.

The interruption of transformation processes without a clear perspective for the resumption and without verifiable criteria for revisions and modifications will create a build-up of unsolved problems. The conservation of the rent-seeking status quo will definitely not give people the lacking economic perspective and hope for a betterment of their living conditions – on the contrary, it may add to the frustration of those outside the privileged groups. It may well be that the consequence are instability, conflict and poverty in the MPCs, i.e. exactly the opposite of what was aspired by the Euro-Med policies. Such a result would be one challenge to foreign policy. Another challenge will arise once it becomes clear that MPCs are not willing or able to honour their obligations specified in the agreements with the EU.

4. Democracy and Islam-oriented Politics

It is widely recognized that the political systems of most MPCs are authoritarian or autocratic. In recent months, this has become an issue for the Bush administration and US media. The idea is that after the toppling of Saddam Hussein and a rapid democratization of Iraq, a kind of domino effect could seize the whole region and induce democratic transformations all over the Middle East. It shall not be discussed here whether this is a realistic vision or a dangerous fantasy.¹⁷ Only one aspect shall be highlighted which may point to a future challenge for German foreign policy if more democracy is realized in Muslim countries: It is highly probable that candidates or parties with an Islamic background will win democratic elections and form Islam-oriented governments in many Muslim countries. The challenge will be how to deal with such results.

After the thwarted case of Algeria, the world is now confronted (for the second time in recent years) with a democratically elected Islam-oriented government in Turkey. The Justice and Development Party (AKP) won an

17 Ottaway, Carothers, Hawthorne, Brumberg 2002.

outright victory and swept away the old political establishment. Many outside observers no longer believed in any problem solving capacity of the old system – characterized by unstable coalition governments for approx. 15 years, populism, opportunism and widespread corruption within the political establishment. Thus, a change towards a government backed by a clear majority in the parliament was cautiously but widely welcomed.¹⁸

The head of the AKP, Recep Tayyip Erdogan, was a successful mayor of Istanbul and openly declared his belief in Islam. This certainly made him popular among Islam-oriented voters. Nevertheless, the election campaign of AKP was less 'Islamist' than that of the Felicity Party (SP) which was factually controlled by former prime minister Necmettin Erbakan (officially banned from politics since 1998). Erbakan was part of the old establishment, and the Islamist SP gained a mere 2.5% of the votes. This supports the hypothesis that the Turkish people voted mainly in favour of a credible new team instead of fundamentalist Islamic ideology.¹⁹ The AKP itself, which is one of the two successors of Erbakan's former Virtue Party (the other one being SP) which was closed down in June 2001, played down its Islamist roots. The new government confirmed its commitment to economic reforms along the lines worked out by the former government and the IMF, and Erdogan repeatedly declared that his prime goal is the EU membership of Turkey. The powerful military who assume the role of guardians of the secular state in Turkey, are willing to accept the new government. Nevertheless, they as well as the judiciary remain sceptical because of the Islamic roots of the AKP and its Islamic orientation. The future will show whether this moderated the politics of AKP at least in its initial phase.

Given the instability of the run down old political establishment, the peculiarities of the Turkish situation and the deep economic crisis, the last elections are not an example for a democratic takeover of political power by an

18 The peculiarity of the present situation (with a destabilizing potential) is that the leader of the AKP cannot become prime minister himself due to a court judgement, and that a court case is pending to close down the whole party.

19 EIU 2002b.

Islamist regime. Therefore the outside world articulated cautious optimism after the victory of AKP.²⁰

But one wonders what the reaction might have been if an Islam-oriented party would have gained a similar landslide victory in elections in another country whose regime looks more stable, less discredited and pro-Western (for example Tunisia or Egypt). A fictitious scenario is this: A transition to an Islam-oriented government implies a shift of political power and a change of elites. Old rentier networks will be disrupted. This will provoke forceful opposition from the established elites whose vested interests are attacked.

Since the established elites are interwoven with and linked to the political and business systems of Western countries, their voices and critique of the new regime will well be heard in Europe. It is not implausible that a transition to an Islam-oriented government in an MPC will not only hurt vested interests of former elites but also interfere with the interests of political and business circles in Western countries. They may amplify the critique in Western media.

Such a critique may find a ready audience since political Islam has a bad reputation in the public opinion of Western countries. The theory of the clash of civilizations and the strange lifestyle of Muslims in Europe, the radical Islamic opposition against secular regimes and terrorism in the name of Islam, the inhumane punishments in some Islamic countries and the rule of clerics in the Islamic Republic of Iran – all these 'experiences' seem to confirm that Islamic systems are the negation of our enlightened world view and a threat to progress and development in the Muslim world.

Thus, one may conclude, Western governments should support the opponents of Islam-oriented governments and try to restore the conditions before their takeover as soon as possible. But this may be a very biased and short-sighted reaction, probably based on prejudices and ignorance.

If the previous scenario is not completely unrealistic and if the expectation is shared that Islam-oriented parties will gain importance in future democ-

20 See as a representative example EIU 2002b.

ratic elections, then the challenge for Western foreign policy in general and Germany in particular is

- to become more familiar with political and economic concepts of contemporary Islam and to enter into specific dialogs not of religions or cultures but of politicians, businessmen and economists, and
- to correct, if necessary, the image of Islam in the general public as well as in some Western governments who show signs of a deep-rooted 'Islamophobia'.

It can hardly be denied that an economic system claiming compatibility with basic rules and norms of Islam will differ from the status quo in most MPCs. The main reason is that (the mainstream of) contemporary Islamic economic doctrines favours a transparent and open system with competition and private enterprises as the driving forces and a government limited in its power by laws which cannot be changed by the ruling parties at their discretion. This is hardly a description of the realities in Muslim countries.

People in the West may be surprised to learn that many of supposedly Western ideals and ideas such as the rule of law and the principles of good governance or the concepts of subsidiarity and solidarity can be found in or have been incorporated into Islamic doctrines. This is not to deny that there are distinct features and differences with respect to the legitimization, justification and deduction of principles as well as with respect to concrete regulations and prescriptions in specific cases (especially in the field of banking and finance). But it is striking to see how close Islamic models come in crucial aspects to the policy recommendations of Western institutions such as the IMF for developing countries in general and MPCs in particular. Islamic concepts may have shortcomings with regard to the efficiency of the financial sector when compared to secular models of 'perfect' market economies. But such a comparison does not do justice to the political and developmental potential of Islamic approaches. These potentials become visible when Islam-oriented policy designs are assessed against the realities of the economic systems of most MPCs. It is possible that Islam-oriented policies could achieve those necessary reforms which have been asked for since many years by Western institutions but were not consequently im-

plemented by the established regimes. For many people it makes a substantial difference whether burdensome reforms are introduced by a new Islam-oriented government or by an old regime:

Reforms implemented by old regimes are very often pushed by international institutions such as the IMF. Thus, they are deemed to be external interferences serving mainly the economic interests of the establishment, and therefore they face a strong opposition.

Reforms implemented by Islam-oriented regimes and justified by an Islamic ideology may be seen as 'indigenous' and in the general interest (especially if there was a change of elites when the Islam-oriented government resumed power). An Islamic approach has not been put into action in most countries and may be welcomed with great hope and expectations.

Islamic teachings are somewhat ambivalent with respect to the political order of an Islamic state. They do not exclude democracy as one possible form of government, but other types of state such as monarchies can also be justified.²¹ However, Islamic mainstream is very explicit regarding the economic order of an Islamic state: it is a kind of social market economy based on private property and open competition (with some special features regarding the financial sector and social security).

The challenges for German foreign policy are, first, to gain a better understanding of the peculiarities of Islamic economic systems,²² and second, to enter into a dialogue with Islam-oriented movements which may become

21 Nienhaus 2002.

22 Islamic finance has attracted the attention of international institutions such as the IMF (mainly interested in regulatory and macroeconomic issues, see Errico, Farahbaksh 1998, Haque, Mirakhor 1998, Iqbal 1997, Sundararajan, Marston, Shabsigh 1998), the World Bank (presenting Islamic project finance techniques in several recent conferences in the Arab region, see World Bank Institute 2002) and the UNDP (concerning microfinance, see UNDP n.d.), and some British university offer degree programs or at least courses in Islamic economics, banking and finance (Surrey, Loughborough, Durham). So far no comparable focal points do exist in Germany. In order to close this gap, the University of Bochum has established a so called Centre of Excellence on "Economics, Islam and Development" which shall become operational by early 2003: <http://wipol2.vwp2.ruhr-uni-bochum.de/CoE02-E.htm>.

strategic partners or allies in the long run – without taking a risk regarding the relations with the present regimes.

Future Challenges from the Mediterranean for German Foreign Policy

Appendix: Key Economic Indicators

Source: World Bank, World Development Indicators, online database

| Population, total (millions) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
|---------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|

| | | | | | | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Algeria | 25.0 | 25.6 | 26.3 | 26.9 | 27.5 | 28.1 | 28.6 | 29.0 | 29.5 | 30.0 | 30.4 | 30.9 |
| Cyprus | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 |
| Egypt, Arab Rep. | 52.4 | 53.6 | 54.8 | 55.9 | 57.1 | 58.2 | 59.3 | 60.4 | 61.6 | 62.8 | 64.0 | 65.2 |
| Israel | 4.7 | 4.9 | 5.1 | 5.3 | 5.4 | 5.5 | 5.7 | 5.8 | 6.0 | 6.1 | 6.2 | 6.4 |
| Jordan | 3.2 | 3.5 | 3.7 | 3.9 | 4.1 | 4.2 | 4.3 | 4.5 | 4.6 | 4.7 | 4.9 | 5.0 |
| Lebanon | 3.6 | 3.7 | 3.8 | 3.9 | 3.9 | 4.0 | 4.1 | 4.1 | 4.2 | 4.3 | 4.3 | 4.4 |
| Malta | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Morocco | 24.0 | 24.5 | 25.0 | 25.5 | 25.9 | 26.4 | 26.8 | 27.3 | 27.8 | 28.2 | 28.7 | 29.2 |
| Syrian Arab Republic | 12.1 | 12.5 | 12.9 | 13.4 | 13.8 | 14.2 | 14.6 | 15.0 | 15.4 | 15.8 | 16.2 | 16.6 |
| Tunisia | 8.2 | 8.3 | 8.5 | 8.7 | 8.8 | 9.0 | 9.1 | 9.2 | 9.3 | 9.5 | 9.6 | 9.7 |
| Turkey | 56.1 | 57.0 | 57.9 | 58.8 | 59.7 | 60.6 | 61.5 | 62.5 | 63.4 | 64.3 | 65.3 | 66.2 |

| Population growth (annual %) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
|---------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|

| | | | | | | | | | | | | |
|--------------------------------------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Algeria | 2.6 | 2.5 | 2.4 | 2.3 | 2.2 | 2.0 | 1.8 | 1.7 | 1.6 | 1.5 | 1.5 | 1.6 |
| Cyprus | 1.5 | 1.9 | 1.9 | 1.5 | 1.1 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.4 | 0.5 |
| Egypt, Arab Rep. | 2.3 | 2.2 | 2.1 | 2.1 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Israel | 3.1 | 6.0 | 3.5 | 2.7 | 2.6 | 2.7 | 2.6 | 2.5 | 2.2 | 2.4 | 2.1 | 2.1 |
| Jordan | 3.7 | 11.2 | 5.2 | 4.5 | 3.9 | 3.3 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 2.9 |
| Lebanon | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 | 1.8 | 1.7 | 1.6 | 1.4 | 1.3 | 1.3 |
| Malta | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 | 1.1 | 0.5 | 0.8 | 0.5 | 0.8 | 0.5 | 0.5 |
| Morocco | 2.0 | 2.0 | 1.9 | 1.9 | 1.8 | 1.8 | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 |
| Syrian Arab Republic | 3.3 | 3.3 | 3.2 | 3.2 | 3.2 | 3.1 | 2.8 | 2.7 | 2.5 | 2.5 | 2.5 | 2.5 |
| Tunisia | 2.4 | 2.0 | 2.0 | 2.0 | 1.8 | 1.6 | 1.5 | 1.4 | 1.3 | 1.3 | 1.1 | 1.2 |
| Turkey | 2.2 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.4 |

| Unemployment, total (% of total labor force) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Algeria | 19.8 | 20.6 | 23.0 | 23.2 | 24.4 | 27.9 | .. | 28.7 | .. | .. | .. | .. |
| Cyprus | 1.8 | 3.0 | 1.8 | 2.7 | 2.7 | 2.6 | 3.1 | 3.4 | 3.3 | .. | .. | .. |
| Egypt, Arab Rep. | 8.6 | 9.6 | 9.0 | 10.9 | 11.0 | 11.3 | .. | 8.4 | 8.2 | .. | .. | .. |
| Israel | 9.6 | 10.6 | 11.2 | 10.0 | 7.8 | 6.9 | 6.7 | 7.7 | 8.5 | 8.9 | 8.3 | .. |
| Jordan | .. | .. | .. | .. | .. | .. | .. | 14.4 | .. | 15.6 | 13.2 | .. |
| Lebanon | .. | .. | .. | .. | .. | .. | .. | 8.6 | .. | .. | .. | .. |
| Malta | 3.9 | 3.6 | 4.0 | 4.5 | 4.1 | 3.7 | 4.4 | 5.0 | 5.1 | 5.3 | .. | .. |
| Morocco | 15.8 | 17.3 | 16.0 | 15.9 | .. | 22.9 | 18.1 | 16.9 | 19.1 | 22.0 | .. | .. |
| Syrian Arab Republic | .. | 6.8 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tunisia | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Turkey | 8.0 | 7.9 | 8.1 | 7.7 | 8.1 | 6.9 | 6.1 | 6.4 | 6.4 | 7.3 | 8.3 | .. |

Volker Nienhaus

| GDP (constant 1995 US\$, billions) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Algeria | 41.2 | 40.7 | 41.5 | 40.6 | 40.2 | 41.8 | 43.5 | 44.0 | 46.2 | 47.7 | 48.8 | 49.7 |
| Cyprus | 7.1 | 7.2 | 7.8 | 7.9 | 8.4 | 8.9 | 9.0 | 9.3 | 9.7 | 10.2 | 10.6 | .. |
| Egypt, Arab Rep. | 50.9 | 51.5 | 53.7 | 55.3 | 57.5 | 60.2 | 63.2 | 66.6 | 70.4 | 74.6 | 78.4 | 81.0 |
| Israel | 64.2 | 69.2 | 73.0 | 77.1 | 82.5 | 88.2 | 92.7 | 95.7 | 98.2 | 100.4 | 106.4 | .. |
| Jordan | 4.8 | 4.9 | 5.8 | 6.1 | 6.4 | 6.8 | 7.0 | 7.2 | 7.4 | 7.6 | 7.9 | 8.2 |
| Lebanon | 6.3 | 8.6 | 9.0 | 9.7 | 10.4 | 11.1 | 11.6 | 12.0 | 12.4 | 12.5 | 12.5 | 12.7 |
| Malta | 2.5 | 2.6 | 2.8 | 2.9 | 3.1 | 3.2 | 3.4 | 3.5 | 3.7 | 3.8 | 4.0 | .. |
| Morocco | 31.5 | 33.7 | 32.3 | 32.0 | 35.3 | 33.0 | 37.0 | 36.2 | 39.0 | 39.0 | 39.3 | 41.9 |
| Syrian Arab Republic | 7.8 | 8.4 | 9.5 | 10.0 | 10.8 | 11.4 | 12.2 | 12.5 | 13.5 | 13.2 | 13.6 | 14.1 |
| Tunisia | 14.9 | 15.4 | 16.7 | 17.0 | 17.6 | 18.0 | 19.3 | 20.3 | 21.3 | 22.6 | 23.6 | 24.9 |
| Turkey | 144.6 | 145.9 | 154.6 | 167.1 | 158.0 | 169.3 | 181.2 | 194.8 | 200.8 | 191.4 | 205.5 | 192.2 |

| GDP growth (annual %) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Algeria | 0.8 | -1.2 | 1.8 | -2.1 | -0.9 | 3.8 | 4.1 | 1.1 | 5.1 | 3.2 | 2.4 | 1.9 |
| Cyprus | 7.4 | 0.7 | 9.4 | 0.7 | 5.9 | 6.1 | 1.9 | 2.5 | 5.1 | 4.5 | 4.8 | .. |
| Egypt, Arab Rep. | 5.7 | 1.1 | 4.4 | 2.9 | 3.9 | 4.7 | 5.0 | 5.5 | 5.6 | 6.0 | 5.1 | 3.3 |
| Israel | 6.8 | 7.7 | 5.6 | 5.6 | 6.9 | 7.0 | 5.0 | 3.2 | 2.6 | 2.2 | 6.0 | .. |
| Jordan | 1.0 | 1.8 | 18.8 | 4.6 | 5.0 | 6.4 | 2.1 | 3.1 | 2.9 | 3.1 | 4.0 | 4.2 |
| Lebanon | 26.5 | 38.2 | 4.5 | 7.0 | 8.0 | 6.5 | 4.0 | 4.0 | 3.0 | 1.0 | 0.0 | 1.3 |
| Malta | 6.3 | 6.3 | 4.7 | 4.5 | 5.8 | 6.2 | 4.0 | 4.8 | 3.5 | 4.0 | 4.7 | .. |
| Morocco | 4.0 | 6.9 | -4.0 | -1.0 | 10.4 | -6.6 | 12.2 | -2.2 | 7.7 | 0.0 | 0.9 | 6.5 |
| Syrian Arab Republic | 7.6 | 7.9 | 13.5 | 5.2 | 7.7 | 5.8 | 7.3 | 2.5 | 7.6 | -1.8 | 2.5 | 3.5 |
| Tunisia | 8.0 | 3.9 | 7.8 | 2.2 | 3.3 | 2.3 | 7.1 | 5.4 | 4.8 | 6.1 | 4.7 | 5.4 |
| Turkey | 9.3 | 0.9 | 6.0 | 8.0 | -5.5 | 7.2 | 7.0 | 7.5 | 3.1 | -4.7 | 7.4 | -6.5 |

| GDP per capita (constant 1995 US\$, thousands) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Algeria | 1.6 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 |
| Cyprus | 10.4 | 10.3 | 11.1 | 11.0 | 11.5 | 12.1 | 12.2 | 12.4 | 13.0 | 13.5 | 14.1 | .. |
| Egypt, Arab Rep. | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Israel | 13.8 | 14.0 | 14.3 | 14.7 | 15.3 | 15.9 | 16.3 | 16.4 | 16.5 | 16.4 | 17.1 | .. |
| Jordan | 1.5 | 1.4 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Lebanon | 1.7 | 2.3 | 2.4 | 2.5 | 2.7 | 2.8 | 2.8 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Malta | 6.9 | 7.3 | 7.5 | 7.8 | 8.2 | 8.6 | 8.9 | 9.2 | 9.5 | 9.8 | 10.2 | .. |
| Morocco | 1.3 | 1.4 | 1.3 | 1.3 | 1.4 | 1.3 | 1.4 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| Syrian Arab Republic | 0.6 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 | 0.8 | 0.8 | 0.8 |
| Tunisia | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Turkey | 2.6 | 2.6 | 2.7 | 2.8 | 2.6 | 2.8 | 2.9 | 3.1 | 3.2 | 3.0 | 3.1 | 2.9 |

| GDP per capita growth | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Future Challenges from the Mediterranean for German Foreign Policy

| (annual %) | | | | | | | | | | | | | |
|--|------|-------|------|------|------|------|------|------|------|------|------|------|--|
| Algeria | -1.8 | -3.6 | -0.6 | -4.4 | -3.1 | 1.7 | 2.3 | -0.6 | 3.5 | 1.7 | 0.9 | 0.3 | |
| Cyprus | 5.8 | -1.1 | 7.4 | -0.9 | 4.7 | 5.2 | 1.1 | 1.6 | 4.4 | 3.8 | 4.4 | .. | |
| Egypt, Arab Rep. | 3.3 | -1.1 | 2.2 | 0.8 | 1.9 | 2.7 | 3.1 | 3.5 | 3.6 | 4.0 | 3.1 | 1.4 | |
| Israel | 3.6 | 1.4 | 2.0 | 2.8 | 4.2 | 4.2 | 2.3 | 0.7 | 0.4 | -0.2 | 3.8 | .. | |
| Jordan | -2.7 | -8.9 | 12.8 | -0.0 | 1.0 | 3.0 | -1.0 | -0.0 | -0.2 | 0.0 | 0.9 | 1.2 | |
| Lebanon | 24.1 | 35.5 | 2.5 | 4.9 | 6.0 | 4.5 | 2.2 | 2.3 | 1.4 | -0.4 | -1.3 | -0.0 | |
| Malta | 5.4 | 5.4 | 3.7 | 3.5 | 4.7 | 5.0 | 3.4 | 4.0 | 2.9 | 3.2 | 4.2 | .. | |
| Morocco | 1.9 | 4.8 | -5.9 | -2.8 | 8.4 | -8.2 | 10.3 | -3.9 | 5.9 | -1.6 | -0.8 | 4.8 | |
| Syrian Arab Republic | 4.1 | 4.4 | 9.8 | 1.9 | 4.3 | 2.5 | 4.4 | -0.2 | 4.9 | -4.2 | -0.0 | 1.0 | |
| Tunisia | 5.4 | 1.9 | 5.6 | 0.2 | 1.4 | 0.7 | 5.5 | 4.0 | 3.4 | 4.7 | 3.5 | 4.2 | |
| Turkey | 6.9 | -0.7 | 4.4 | 6.4 | -6.9 | 5.6 | 5.4 | 5.9 | 1.6 | -6.1 | 5.8 | -7.8 | |
| Household final consumption expenditure, etc. (annual % growth) | | | | | | | | | | | | | |
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | |
| Algeria | -3.5 | -7.4 | 4.8 | -2.5 | -0.6 | 2.1 | -2.4 | -2.2 | 2.1 | 3.0 | 1.7 | 0.2 | |
| Cyprus | 9.9 | 12.2 | 3.8 | -3.0 | 7.4 | .. | .. | .. | .. | .. | .. | .. | |
| Egypt, Arab Rep. | 7.7 | 7.5 | 0.8 | 5.7 | 5.1 | 2.1 | 4.2 | 3.5 | 5.4 | 3.6 | 3.9 | 0.4 | |
| Israel | 5.2 | 6.9 | 9.3 | 7.7 | 10.1 | 7.0 | 6.2 | 4.6 | 3.9 | 4.0 | 6.6 | .. | |
| Jordan | -9.2 | -13.3 | 28.2 | 1.5 | 0.0 | -0.6 | 9.6 | 4.9 | 7.2 | 4.7 | 11.0 | 3.0 | |
| Lebanon | .. | 37.9 | 3.4 | 10.2 | 3.7 | 4.5 | 2.7 | 1.0 | -9.2 | -0.3 | -2.4 | 7.9 | |
| Malta | 3.8 | 3.8 | 5.1 | 3.0 | .. | .. | .. | .. | .. | .. | .. | .. | |
| Morocco | 1.7 | 10.9 | -4.1 | -2.2 | 14.6 | -5.4 | 12.4 | -4.1 | 10.6 | -1.1 | 0.1 | 4.0 | |
| Syrian Arab Republic | 0.5 | -0.1 | 16.5 | 1.2 | -6.5 | 7.6 | 4.2 | -0.8 | 6.2 | -3.9 | -3.2 | 3.6 | |
| Tunisia | 9.0 | 1.3 | 6.8 | 3.3 | 3.1 | 3.0 | 4.4 | 4.5 | 5.6 | 5.8 | 5.2 | 4.1 | |
| Turkey | 13.2 | 2.5 | 3.9 | 8.0 | -6.1 | 5.6 | 7.9 | 8.3 | 0.4 | -2.6 | 6.3 | -6.4 | |
| Subsidies and other current transfers (% of total expenditure) | | | | | | | | | | | | | |
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | |
| Algeria | .. | .. | .. | .. | 27.1 | 26.4 | .. | .. | 27.1 | 32.1 | .. | .. | |
| Cyprus | 25.4 | 25.4 | 26.3 | 30.7 | 30.4 | 31.6 | 32.5 | 32.7 | 32.8 | .. | .. | .. | |
| Egypt, Arab Rep. | 26.4 | 27.5 | 23.0 | 24.9 | 23.9 | 25.4 | 15.3 | 14.9 | .. | .. | .. | .. | |
| Israel | 37.1 | 36.8 | 37.4 | 37.9 | 40.9 | 43.6 | 44.3 | 47.3 | 47.7 | 48.8 | 49.3 | .. | |
| Jordan | 11.1 | 10.7 | 10.7 | 9.6 | 10.8 | 10.2 | 11.3 | 8.6 | 9.2 | 8.2 | 7.2 | .. | |
| Lebanon | .. | .. | .. | 17.9 | 16.9 | 16.7 | 12.5 | 11.7 | 11.4 | 12.2 | .. | .. | |
| Malta | 35.0 | 33.6 | 36.9 | 35.7 | 35.5 | 34.2 | 40.7 | 41.4 | 39.8 | .. | .. | .. | |
| Morocco | 8.1 | 8.7 | 9.4 | 11.0 | 12.7 | 11.6 | .. | 15.5 | 15.9 | 16.3 | .. | .. | |
| Syrian Arab Republic | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| Tunisia | 34.8 | 32.7 | 32.5 | 31.8 | 31.5 | 30.7 | 28.8 | 28.0 | 28.2 | 27.8 | 25.0 | .. | |
| Turkey | 16.3 | 19.0 | 19.9 | 28.1 | 30.7 | 41.8 | 46.8 | 28.9 | 24.2 | 24.7 | 22.4 | .. | |

Volker Nienhaus

| Taxes on international trade (% of current revenue) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

| | | | | | | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|------|----|
| Algeria | .. | .. | .. | .. | 16.6 | 18.5 | 15.5 | .. | 16.4 | 14.0 | .. | .. |
| Cyprus | 15.7 | 15.6 | 14.1 | 10.3 | 8.5 | 8.0 | 7.2 | 5.6 | 3.8 | .. | .. | .. |
| Egypt, Arab Rep. | 13.8 | 10.3 | 10.9 | 10.0 | 10.2 | 10.4 | 13.1 | 12.6 | .. | .. | .. | .. |
| Israel | 1.7 | 1.9 | 1.9 | 1.0 | 0.6 | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | .. |
| Jordan | 26.8 | 29.1 | 36.4 | 31.6 | 29.3 | 25.3 | 26.0 | 22.7 | 22.9 | 20.4 | 19.9 | .. |
| Lebanon | .. | .. | .. | 35.7 | 35.3 | 43.5 | 46.2 | 46.4 | 43.7 | 28.1 | .. | .. |
| Malta | 23.4 | 24.2 | 27.3 | 25.7 | 19.6 | 4.3 | 4.3 | 4.1 | 4.2 | .. | .. | .. |
| Morocco | 17.8 | 18.4 | 17.6 | 16.4 | 16.5 | 15.2 | .. | 15.9 | 16.2 | 15.9 | .. | .. |
| Syrian Arab Republic | 7.4 | 8.5 | 10.0 | 14.1 | 13.2 | 12.9 | 12.4 | 10.6 | 11.8 | 9.9 | .. | .. |
| Tunisia | 28.1 | 28.4 | 29.3 | 27.9 | 27.0 | 27.9 | 25.7 | 14.5 | 13.6 | 12.1 | 11.5 | .. |
| Turkey | 6.2 | 5.1 | 4.5 | 4.3 | 3.2 | 3.7 | 2.3 | 2.3 | 1.7 | 1.4 | 1.3 | .. |

| Aid (% of central government expenditures) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

| | | | | | | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|------|----|
| Algeria | .. | .. | .. | .. | 3.0 | 2.4 | 2.2 | .. | 2.6 | 0.6 | .. | .. |
| Cyprus | 2.1 | 2.1 | 1.2 | 1.6 | 1.8 | 0.7 | 0.7 | 1.4 | 1.0 | .. | .. | .. |
| Egypt, Arab Rep. | 31.5 | 44.4 | 21.9 | 14.3 | 13.9 | 9.9 | 10.0 | 8.6 | .. | .. | .. | .. |
| Israel | 5.2 | 7.8 | 6.5 | 4.2 | 3.6 | 0.8 | 4.7 | 2.5 | 2.2 | 1.9 | 1.6 | .. |
| Jordan | 61.7 | 59.4 | 26.7 | 17.3 | 19.8 | 25.7 | 21.6 | 19.5 | 15.5 | 17.0 | 21.0 | .. |
| Lebanon | .. | .. | .. | 8.2 | 7.3 | 4.8 | 4.7 | 3.9 | 4.3 | 3.3 | .. | .. |
| Malta | 0.4 | 1.9 | 0.5 | 2.9 | 4.0 | 0.7 | 5.2 | 1.6 | 1.5 | .. | .. | .. |
| Morocco | 14.1 | 15.9 | 11.1 | 7.8 | 6.4 | 4.6 | .. | 4.5 | 4.8 | 5.9 | .. | .. |
| Syrian Arab Republic | 13.1 | 5.6 | 2.6 | 3.0 | 6.3 | 2.8 | 1.6 | 1.2 | 0.9 | 1.3 | .. | .. |
| Tunisia | 9.2 | 8.1 | 7.9 | 4.7 | 2.1 | 1.2 | 1.9 | 3.2 | 2.4 | 3.8 | 3.6 | .. |
| Turkey | 4.7 | 5.1 | 0.8 | 0.9 | 0.5 | 0.8 | 0.5 | 0.0 | 0.0 | 0.0 | 0.4 | .. |

| Foreign direct investment, net inflows (BoP, current US\$, millions) | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

| | | | | | | | | | | | | |
|--------------------------------------|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|----|
| Algeria | 0 | 12 | 12 | 15 | 18 | 5 | 4 | 7 | 5 | 7 | 10 | .. |
| Cyprus | 127 | 82 | 107 | 83 | 75 | 86 | 54 | 76 | 69 | 121 | 160 | .. |
| Egypt, Arab Rep. | 734 | 253 | 459 | 493 | 1,256 | 598 | 636 | 891 | 1,076 | 1,065 | 1,235 | .. |
| Israel | 151 | 346 | 588 | 605 | 442 | 1,349 | 1,387 | 1,628 | 1,760 | 2,889 | 4,392 | .. |
| Jordan | 38 | -12 | 41 | -34 | 3 | 13 | 16 | 361 | 310 | 158 | 558 | .. |
| Lebanon | 6 | 0 | 4 | 6 | 7 | 35 | 80 | 150 | 200 | 250 | 298 | .. |
| Malta | 46 | 77 | 40 | 56 | 152 | 132 | 277 | 81 | 273 | 815 | 631 | .. |
| Morocco | 165 | 317 | 422 | 491 | 551 | 92 | 76 | 4 | 12 | 3 | 10 | .. |
| Syrian Arab Republic | 71 | 0 | 0 | 109 | 251 | 100 | 89 | 80 | 80 | 91 | 111 | .. |
| Tunisia | 76 | 126 | 526 | 562 | 432 | 264 | 238 | 339 | 650 | 350 | 752 | .. |
| Turkey | 684 | 810 | 844 | 636 | 608 | 885 | 722 | 805 | 940 | 783 | 982 | .. |

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Future Challenges from the Mediterranean for German Foreign Policy

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Arslan Chikhaoui

Mediterranean Enlargement of the European Union: New Challenge for Germany

The historical experience and geographic proximity of the Southern member countries of the European Union (EU) enables them to play a key role in the Mediterranean region. Northern and Central EU states like Germany are all needed and must be involved in the region.

Mediterranean policy, just like the policy vis-à-vis Eastern Europe, will only succeed if it is considered and accepted as an EU initiative, and not as a concern of Southern member states.

1. Key policy issues of the Mediterranean region

The Mediterranean region is at the same time a part and a neighbor of Europe. Not only geographically but also in economic and security matters, the Mediterranean region lies in Europe's immediate proximity. Trade routes that are of central importance to Europe criss-cross the Mediterranean. Energy sources essential to European industry are located in the region. The Mediterranean countries that are not members of the EU today constitute the third largest market of the community. The EU in its turns is by far the most important buyer of products from the region. The demographic growth in the South affects the social and cultural stability of the region. The diverse economic, social, political and military conflicts in the region have direct repercussions on Europe. Finally, Europe have been al-

ready affected economically and socially by the high migration potential of the region.

The region is an area of cultural diversity and density. It is where the roots of the European and the Arab culture lie. It is where Islam, Christianity and Judaism emerged. Thus, the Mediterranean is more than a sea common to the countries bordering on it. It is in fact a dense network of a diversity of dividing lines between different economic and security systems, different political systems and cultures, different languages and religions.

The Mediterranean is characterized by acute and latent conflicts both within the region and between countries. The crucial difficulties of the region include underdevelopment and the differences in wealth between North and South as well as the explosion of the population in the South. The consequential problems are a high level of unemployment, a foreign trade imbalance and a high level of indebtedness, domestic tensions and political instability as well as a generally high potential of violence.

In the economic level, the region reflects the deepening gap between the industrialized world and the developing countries. In terms of its economic efficiency, the entire region lags behind the European average. Among the countries bordering on the Mediterranean, those in North Africa encounter particularly severe problems. Agricultural production is not sufficient to feed the population, industrialization is often domestically oriented and unsuccessful by market standards, a dependence on financial and technical aid from outside exists for all EU's neighboring countries in the Mediterranean.

A special situation is created by oil revenues of the states of the Middle East and North Africa (MENA) region. What is largely lacking in the oil states is an industrial mentality as well as awareness of the working value of one's own assets. With the exemption of oil-favored Libya all North African states are struggling with their debt burdens.

Regarding the demographic growth, while the population in the EU countries is stagnating the number of people in the third Mediterranean countries is increasing dramatically. Up to the year 2002, the population of the EU's Mediterranean neighbors are expected to grow by 52 million people.

At the same time the population of the EU of the fifteen is expected to increase by 3 million people. Based on the demographic development at least 900,000 new jobs will be required annually on the Southern side of the Mediterranean. In comparison, within the EU only 1.8 million new jobs will have to be created by year 2003.

In fact, the countries of the Southern border of the Mediterranean have become exporters of labor. For many people there, emigration is one possibility of escaping the threat of marginalization at home. The main thrust of this migration potential will be in the direction of Europe. Almost 4.5 million migrants coming from the Southern Mediterranean already live in the EU.

Concerning the political situation, social tensions and unstable systems of government determine the domestic policy situation nearly everywhere in Europe. The processes of political decision making are frequently dominated by monopoly or quasi-monopoly parties. The military are of great importance in Southern countries of the Mediterranean region as an order factor and as a power resource.

The political development following decolonialization reflects the history of failed attempts to copy or transfer Western patterns government and administration to the young states. In spite of its collective character and the possibility of instrumentalization by authoritarian leaderships the socialist model also failed to attain any lasting success. Both models of state rulership have not succeeded in generating a sufficient measure of domestic and social policy consensus.

In terms of potential of violence, the readiness to use political pressures and military force to push through one's own interests is fed by authoritarian political structures, the latent antagonism of the value systems, the externalization of domestic tensions and considerable level of armaments. The respective troop strengths are 2.5 million soldiers in the member states of the EU, 2.7 million in the Arab part of the Orient, 450,000 in North African states, and 650,000 troops in Turkey. This region was in the 80's one of the main recipient areas of armaments supplies. The Soviet Union mainly supplied weapons to Algeria and Libya running to a total value of some USD

3.5 billion while the United States of America supplied Israel and Egypt with weapons valued at about USD 6.1 billion and France supplied Egypt with USD 0.67 billion worth of armaments. The arms are continuously receives fresh momentum from the permanent conflicts in the region (Greece-Turkey, Israel-Middle East, Maghreb). The ability to produce or have access to ABC weapons does exist among the Southern neighbors of the EU as Iran, Iraq, Israel, Syria and possibly Libya. The military doctrines in place do not provide for the use of these military capabilities against Europe. Yet, the military potential in the region is a danger to security in Europe; limited and predictable military force used against European targets under crisis conditions cannot be ruled in the future. On the other side, armed conflicts within the region will at any rate also have repercussions on Europe an European interests.

The specific causes of crises and wars in the region include, beyond conflicts of dominance, ethnic conflicts and territorial conflicts, the uneven distribution of raw materials or raw material revenues. The border conflicts in the Near East possesses an economic dimension; the exploitation of resources under the bottom of the sea, the unimpeded access to the high seas and the airspace rights are important elements of the states' economic policy. The Southern and Eastern Mediterranean region is characterized by conflicts over the access to water. Its availability is continuously increasing importance. The distribution of water resources in the region may become a source of international conflicts. Control over water as well as energy generation and distribution may thus develop into the central non-military power instrument. The Mediterranean could be, in short term, in a situation of an increasing number of internal conflicts characterized as a low density conflicts. Access to vitally important resources like water and the securing of material requirements, the right of social and political identity as well as participation in the political decision-making processes all describe individual rights and interests whose implementation tends to be doubtful in the future.

2. Germany and Mediterranean enlargement of the European Union

The European Union has interest in stabilizing the Mediterranean region since it would be immediately affected by crises and instabilities in that region. The most important deficit of the EU's Mediterranean policy so far has been the highly selective attention given by the member states to matters Mediterranean; the developments in the Mediterranean region are received with great attention in the immediately involved Southern EU countries while they are hardly taken note of in the North of the community. In their bilateral relations to the Mediterranean region regarding economic cooperation, trade and development aid, the EU countries have each concentrated on Mediterranean partners with whom they have traditional links. Thus, the community itself is rarely seen as one area in the immediate proximity of the Mediterranean region.

Because of the different national conditions in the Mediterranean region itself and the selective attention given to Mediterranean issues by the EU countries there is a lack of consensus on the challenges that the EU is jointly faced with.

Since 1990, the EU's Mediterranean policy has been conceived as part of a "policy of geographic proximity" by means of which the community wants to play a more active role vis-à-vis the regions surrounding it. By this decade, EU attempted to review Mediterranean policy in the light of enlargement to Greece, Spain and Portugal. The shock waves across an integrated single system such as the EU has become, means that the Mediterranean is not a region that should concern the Mediterranean EU states, in the same way as Central and Eastern Europe should not be the concern of the states of that sub-region only. No doubt, proximity will continue to play an important role; Germany taking the lead in Central and Eastern Europe, France, Italy, Spain in the Mediterranean region, and Italy in the Balkans. Furthermore, France is trying to share leading in Central and Eastern Europe. According to this logic, France wants to become an EU member state pivot.

The entry of Cyprus and Malta in the European Union, may strengthen the sensitivity of the Union towards the Mediterranean region. It will also increase the Mediterranean's group of states in the Union without threatening the overall balance of the Union and will benefit more the Southern Mediterranean non-member states in dealing with the EU.

In my view, after a decade of a *Europapolitik*, Germany has changed its perception of the Mediterranean region. The German political class has realized that as a member of a single market, Germany lies at the banks of the Mediterranean sea in a way. This perception within a common market aims to consider the regions outside the EU come closer to Germany. Even if Germany is involved in the expansion of the EU to Central and Eastern region because of its geo-political situation in Europe, it has to care about Mediterranean problems as well. As bilateral cooperation is not enough to tackle all the issues to face all the challenges, a regional approach seems necessary.

To create an area of stability and peace, prosperity means an end to the single issue policy. The complex nature of the region and the interdependence on the problems creates the need for a multidimensional approach. I think that Germany has to develop and to support a regional approach instead a bilateral one. There are a lot of challenges that have to be met and to be tackled despite all the criticism of the Barcelona process. Of course there are still risks, but there are also a lot of changes and opportunities. It is a matter to take a chance. In this regards, let me point out some priorities for the future.

In the years to come the perceptual patterns among protagonists in the North and in the South will become more critical to the extend that differences of interests between Europe and its neighbors in the South will be increasingly interpreted as conflicts about values. The result for the governments in North Africa and in the Middle East is a limitation of their latitude for action for domestic policy reasons. Thus, an internal dramatization of conflicts should be avoided. Europe should resist the temptation of construing every dispute in the categories of a fundamental conflict between North and South. As a result of the Gulf war there is a trend in the Middle

East and North Africa towards rejecting any conflict solutions that have been developed on the outside.

In the track record of policy in the Mediterranean region, the following issues should be supported:

Economic stability: the consolidation of trade relations and the promotion of equalization of economic interests in the region.

Reduction of developmental differences, so far implemented in trade agreements and financial protocols, more strongly represented in the development policies of the EU member states.

Military stability: the prevention of military predominance in favor of one side, within the Middle East and North Africa region, with reference to Israel and between the Northern and Southern states bordering on the Mediterranean.

Stabilization of the protagonists: support for those forces that contribute to cooperation and the equalization of interests in the region; further development of political cooperation in the sense of intensifying and institutionalizing the dialogue.

Avoidance of war and its consequences.

The first point I would like to focus on is the economic cooperation. Most of us know that the economic cooperation between the Southern participants of the Mediterranean partnership is still poor. The regional cooperation has to be supported as it is a way to fight the asymmetry of the partnership. This could be done by foreign investments to initiate a new process of regional cooperation. This will create a new pressure to get a more competitive economic structure and to boost the reform of the economic body.

The second point is the question of the domestic political structure. There is still the underlying contradiction of the partnership that the political and economic cooperation being successful would endanger the power and the influence of the political elites in many of the countries in the Mediterranean region. Nevertheless, as there is a change of generation there is a chance for political change in the region.

The third point I would like to raise is the dialogue at the level of civil society. As it is just starting, more emphasis should be put on intensifying dialogue not only between the classical type of NGOs but on the economic level with trade unions or other associations.

Fourth, as a source of instability in the region, the peace process is not only a matter of European interests but also a European responsibility for the whole region.

In the long run, the rule of law and democracy are central elements of political and economic stability in the Mediterranean region. What is needed is to find more and better ways in which the countries of the region can come together in a concerted effort of economic region-building. The challenge for EU and particularly for Germany is to boost efforts already under way to open up national economies to productive intra-regional trade, investment and technology sharing in order to deepen the collaborative process and to ensure that existing regional economic institutions are truly effective instruments for region wide economic development and creating new ones as necessary.

Carlo Masala

Why Germany should become more active in the Mediterranean

With September 11 Germany is faced with the necessity of defining its political goals and priorities in the Mediterranean area, above all in the field of security politics. Over the last ten years German politicians have becoming increasingly aware that Germany is not immune to potential dangers and risks from Europe's southern rim. Nevertheless, among German politicians the prevailing assessment of security politics is that Germany is not in the right position for an active Mediterranean policy. From the German point of view, the Southern Europeans are logically tied to the task of facing the Mediterranean challenge due to historical ties, geographical proximity and a much closer network of formal and informal contacts. Germany itself should concentrate on the stabilization of Eastern Europe, the development of the European Union, the restructuring of the transatlantic relationship and the integration of Russia into a European security-architecture.

The perception takes account of the immediate German security interests resulting from the geostrategic location of the country. However, it does not consider sufficiently that important structural and institutional consequences are resulting from the Mediterranean region's increasing relevance for European security. To ignore this could lead to a weakening of Germany's position in the Western alliance. From this point of view, a German Mediterranean policy and – as its core element – the development of a Mediterranean concept would be a first important step to counteract such a trend.

Since the end of the East-West conflict the international system has been in a state of flux. In the emerging multipolarity there is no unifying threat to

the states of the Western hemisphere. The tendency one can observe is that of risk diffusion, which implies the different perception of security threat by the Western states due to diverging geographical locations and geostrategic preferences. The result of risk diffusion is that the members of the transatlantic community tend to be hesitant to engage in confrontations with other states when their own security is not immediately threatened. In other words, partners are less willing to cooperate and pursue a united strategy towards regional crisis. Thus, consensus building, the prerequisite for common action, will become more difficult in and between security-related institutions in Europe.

Turning to the Mediterranean, this means that only some members of the Western alliance perceive possible dangers from the region as a threat to their own security. Other member states see such threats as far as less problematic or even non-existing. Thus, the geostrategic consensus which characterized Western security politics during the last 50 years no longer exists. In southern Europe this trend leads to rising concerns. Considering the numerous crisis-phenomena in the southern Mediterranean area, and the many social and economic interconnections between the European and non-European Mediterranean countries, the worries of the south can hardly be dismissed.

Regarding the diffusion of risks and threats this leads to two conflicting tendencies within the transatlantic institutions. The first tendency is that only a minimal consensus in many security-related areas is achievable. This could lead – in the long run – the southern Europeans to enhance efforts to establish sub-regional security structures (as they did in the beginning of the 90's) outside the existing alliances. At least regarding the southern dimension it is not unlikely that NATO will no longer be the central point of reference for the security policy of those states, even if NATO is increasingly looking South. If such a trend should occur, the previous position of Germany as the most important partner of the US in Europe could be put into question, since Germany is not a protagonist in the process of formulation and implementation of security measures on Europe's southern flank. For this reason it is quite obvious that the South alignment trend puts Germany in an uncomfortable position because it could lead to a loss of influ-

ence within NATO (a process that has already started and will be accelerated in the future).

For Germany, therefore, more attention to the Mediterranean should be an important component of a political strategy that could counteract a possible erosion of alliance structures and a decline in the German capability to act within the Western alliance. The central elements of German Foreign Policy over the last 50 years, Westbindung and Ostverbindung, are essentially based on a uniform framework embodied in the European integration and the North Atlantic alliance. The maintenance and strengthening of this framework represents a central element of Germany's *raison d'état* in the field of foreign policy.

Following this line of argumentation, the integration of Germany into the western Mediterranean policies could be an important step to safeguard the continuity of Germany's foreign and security policy. Accordingly, Germany's Südeinbindung (inclusion into the south) is an important step in protecting and consolidating Germany's Westbindung (integration into the West).

All in all, Germany's Mediterranean challenge does not result primarily from immediate threats to its national security but from functional requirements.

If Germany wants to protect its influence on transatlantic and European security policy, it should actively take part in the formation and implementation of transatlantic Mediterranean politics.

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