
The shrinking Euro-Mediterranean policy space

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Theme

The transformations that have taken place in the EU's Mediterranean Neighbourhood have reduced the options for a shrinking Euro-Mediterranean policy.

Summary

This analysis addresses changes in the Euro-Mediterranean strategic context and the erosion of the economic incentives built into Euro-Mediterranean policy to deal with such transformation. It also puts the case for a reformulation of Euro-Mediterranean policies, but argues that, rather than pursuing an incremental continuity, the EU should engineer a more radical overhaul of its mechanisms of governance, its instruments and its discourse.

Analysis

There is a growing consensus regarding the calcification of Euro-Mediterranean relations in recent years, whether in the guise of the Union for the Mediterranean (UfM) or the southern dimension of the European Neighbourhood Policy (ENP).¹ The transformations that have taken place on the southern shore of the Mediterranean rendered European strategies for the region obsolete years ago, and their inadequacy was already evident before the Arab uprisings broke out in 2011. Moreover, the priority placed on the European neighbourhood by the 2016 EU Global Strategy (EUGS) entails adapting Euro-Mediterranean policies and aligning their instruments to the new strategic context.² From an economic perspective, it is unclear that a future re-launch of the ENP or a bolstering of the UfM and their respective policy instruments would be enough to provide sufficient economic incentives to foster reforms among the EU's Mediterranean partners.

This paper argues that the Euro-Mediterranean economic policy space has been shrinking for years owing to the limitations that have restricted the scope and intensity of its application and have curbed expectations regarding its results. This involves an increasingly limited range of policy options amid a fluctuating hierarchy of objectives for European foreign policy towards the Mediterranean. Such a context appears to be inimical to a renewal of Euro-Mediterranean policy that does not consist of adopting incremental measures based on the same approaches (more commercial integration,

¹ R. Youngs (2015): 'Introduction', in R. Youngs (Ed.), *Twenty Years of Euro-Mediterranean Relations*, Routledge Studies in Mediterranean Politics.

² For the purposes of this document the term 'Euro-Mediterranean policies' encompasses all EU policies towards Mediterranean countries, the Euro-Mediterranean Association, the new projects managed by the UfM and the Mediterranean dimension of the European Neighbourhood Policy.

more cooperation) for a more limited number of Mediterranean countries. However, the fundamental transformations witnessed in the region's political economy balances require much more than incremental continuation of the existing Euro-Mediterranean policies if they are to regain credibility. The question is how to reverse the decline in the effectiveness of Euro-Mediterranean policies and what type of governance, instruments and narrative the EU should adopt with its neighbours to its immediate south.

This analysis looks first at the change in the strategic Euro-Mediterranean context, subsequently contrasting it with the erosion of Euro-Mediterranean policies over the last decade. It then turns to the way in which both these phenomena lead to a narrowing of the EU's policy options for the Mediterranean in terms of the political and geographical realms, expectations and narrative-building. The following section sketches out some initial proposals for re-founding Euro-Mediterranean relations, taking the four aspects mentioned above into account. The final section concludes.

The new Euro-Mediterranean context

The global and regional contexts surrounding Euro-Mediterranean relations have changed a great deal since the 1995 Barcelona Declaration, and the EU's strategic view of the Mediterranean has changed with them. At a global level, it appears that the international liberal order will have to be less ambitious than was expected just a few years ago.³ In Europe, the consequences of this new focus did not take long to emerge, with the geopolitical shift adopted by the EU in the 2016 EUGS, characterised by the strategic reorientation towards a liberal realpolitik, or hybrid, 'liberal redux' geopolitics.⁴

Together with principled pragmatism the EUGS implies there are more modest European ambitions in terms of modelling a global order in the EU's own image. The promise to pursue an 'effective multilateralism' contained in the 2003 European Security Strategy has been watered down into one of maintaining a 'rules-based global order', featuring as the last of the EUGS priorities. The importance assigned to security and the European neighbourhood and the reduced emphasis on promoting values mean that the objectives of EU foreign policy now seem to be more restrictive.⁵

This tendency is by no means new, at least insofar as it applies to the Mediterranean. It has been argued that the Neighbourhood and Euro-Mediterranean policies were reasonably aligned with the 2003 European Security Strategy, a document in which the EU showed itself as a civil and normative power prepared to apply a widely-shared

³ C. Powell (2017), '¿Tiene futuro el orden liberal internacional?', ARI, nr 56/2017, Elcano Royal Institute, http://www.realinstitutoelcano.org/wps/portal/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/ari56-2017-powell-tiene-futuro-orden-liberal-internacional.

⁴ See S. Biscop (2016), 'The EU Global Strategy: realpolitik with European Characteristics', Egmont Security Policy Brief, nr 75, June, <http://www.egmontinstitute.be/wp-content/uploads/2016/06/SPB75.pdf>; and R. Youngs (2017), 'Is "Hybrid Geopolitics" the next EU Foreign Policy doctrine?', LSE EUROPP blog, 19/VI/2017, <http://carnegieeurope.eu/2017/06/19/is-hybrid-geopolitics-next-eu-foreign-policy-doctrine-pub-71295>.

⁵ H. Dijkstra (2016), 'One-and-a-half cheers for the EU Global Strategy', *Contemporary Security Policy*, vol. 37, nr 3, p. 369-373.

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political agenda; by contrast, following the 2011 Arab uprisings and the European financial crisis there is an appreciable lack of EU strategic vision for the Mediterranean and less confidence in its capacity as a transformative power.⁶ Thus, in the EUGS the meta-narrative of 'Europeanisation as modernisation' and of normative European power appears in a much more nuanced way, contrary to the reasoning that had hitherto informed the neighbourhood policy.⁷

The EUGS does not, however, provide any major developments in the types of economic incentives that would enable reforms on the southern shore of the Mediterranean to be fostered: deep and comprehensive free-trade areas, with the inclusion of agriculture and services and new normative elements; the possibility of creating an 'economic area' with certain southern neighbours or broadening the Energy Community; strengthening bonds between societies by means of 'enhanced mobility', cultural and educational exchanges and civil society platforms; and the full participation of certain Mediterranean partners in European programmes and agencies.⁸

Perhaps the only innovation is the insistence on the resilience of neighbouring societies, a somewhat vague concept that spans everything from their capacity to reform themselves to their ability to confront climate change. However, the tensions between principles and interests and the ambiguity inherent in the term erode its potential as a guide to European foreign policy.⁹ The emphasis on resilience has been interpreted as a pragmatic retreat vis-à-vis democratisation, justified by the failure of all recent interventions and the conviction that it is essentially an endogenous phenomenon.¹⁰

A more critical standpoint has warned of the risk of falling into the 'deceptive comfort' of the 'stabilisation versus democratisation' argument and overlooking the fundamental lessons of the Arab uprisings.¹¹ On the other hand, it has also been argued that resilience is a dynamic concept that should not be confused with a static stability based on the acceptance of authoritarian regimes, while recognising that democracy cannot be

⁶ R. Aliboni (2013), 'The European Global Strategy and the Mediterranean', IEMed Focus, nr 105, <http://www.iemed.org/publicacions-en/historic-de-publicacions/focus/the-european-global-strategy-and-the-mediterranean>. The article refers to a document drawn up by four European think tanks, including the Elcano Royal Institute, not to the Strategy endorsed in 2016.

⁷ G. Escribano (2005), 'Europeanisation without Europe? A critical reflection on the Neighbourhood Policy for the Mediterranean', Working Paper, nr 23/2005, Elcano Royal Institute, http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/dt23-2005.

⁸ European External Action Service (2016), 'Shared vision, common action: a stronger Europe. A global strategy for the European Union's Foreign and Security Policy', June, p. 25, http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf.

⁹ A.E. Juncos (2017), 'Resilience as the new EU Foreign Policy paradigm: a pragmatist turn?', *European Security*, vol. 26, nr 1, p. 1-18.

¹⁰ S. Biscop (2017), 'A strategy for Europe's neighbourhood: keep resilient and carry on?', ARI, nr 4/2017, Elcano Royal Institute, http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari4-2017-biscop-strategy-europe-neighbourhood-keep-resilient-carry-on.

¹¹ Y. El-Shimy & A. Dworkin (2017), 'Egypt on the edge: how Europe can avoid another crisis in Egypt', ECFR Policy Brief, 14/VI/2017, p. 11, http://www.ecfr.eu/page/-/ECFR218_-_EGYPT_ON_THE_EDGE.pdf.

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pursued with a 'blind one-size-fits-all approach'.¹² Finally, it has been argued that a tailor-made approach based on resilience would involve much greater EU support for countries such as Tunisia, Morocco and Jordan, which could serve as 'resilient anchors' for Euro-Mediterranean relations.¹³ The political debate has economic implications, however, because this is one of the types of support that some of the countries concerned require most urgently.

These tensions are less evident in the realm of climate-change resilience, the other major innovation of the EUGS, than in the political and social realm. But the concept of 'energy and environmental resilience' may also prove debatable in its application. Specifically, the narrative of securitisation being used is equally problematic, with the focus on the consequences of climate change and environmental degradation on potential conflicts in the European neighbourhood, strengthened by an explicit comparison with the security sector.¹⁴ It has been argued that the securitisation of climate change is not an ideal strategy, given that it may deflect attention from mitigation and adaptation efforts (climate financing, support for energy transition, etc) in order to strengthen security aspects (more resources for controlling borders or intervention in conflicts).¹⁵

Having furnished the pragmatism, next come the principles: to 'encourage energy liberalisation, the development of renewables, better regulation and technical transfers, alongside climate change adaptation and mitigation'.¹⁶ Here the problem is the almost total lack of clear objectives and effective instruments for attaining them in the European neighbourhood, as will become evident in what follows in the case of the Mediterranean. Social resilience also has an economic dimension, but it is scarcely mentioned and nor is it stipulated to what extent the existing mechanisms for managing the economic interdependence with the neighbourhood are consistent with it.

What does seem clear is that achieving the security and resilience targets set by the EUGS, both social and environmental, requires the development of new common capabilities and a substantial reform of the institutional framework of neighbourhood (and Euro-Mediterranean) relations.¹⁷ By contrast, what has been witnessed in recent years is a Euro-Mediterranean policy in retreat, not only incapable of securing the objectives set by the EUGS, but also displaying prior symptoms of exhausting the existing

¹² E. Soler & N. Tocci (2016), 'Implications of the EU Global Strategy for the Middle East and North Africa', *Future Notes*, nr 1, July, Menara Project, p. 3, <http://www.menaraproject.eu/portfolio-items/implicationseuglobalstrategy/>.

¹³ K. Kausch (2016), 'Resilient anchors in the Southern Mediterranean', *Carnegie Europe*, 30/IX/2016, <http://carnegieeurope.eu/2016/09/30/resilient-anchors-in-southern-mediterranean-pub-64740>.

¹⁴ 'Mirroring security sector reform efforts, energy and environmental sector reform policies can assist partner countries along a path of energy transition and climate action', *EUGS*, p. 27.

¹⁵ G. Escribano (2017), 'Energías renovables y renovación de la geopolítica', in *Energía y Geoestrategia 2017*, IEEA & Enerclub, Madrid, http://www.enerclub.es/frontBookAction/Biblioteca_/Publicaciones_Enerclub/Libros_y_articulos/EnergeoBook17.

¹⁶ *EUGS*, p. 27.

¹⁷ M.E. Smith (2016), 'Implementing the Global Strategy where it matters most: the EU's credibility deficit and the European neighbourhood', *Contemporary Security Policy*, vol. 37, nr 3, p. 446-460.

instruments, basically the association agreements and, within them, free-trade agreements.

A Euro-Mediterranean policy on the wane

While the southern flank of the Mediterranean has risen in the European hierarchy of priorities and changed its strategic nature, the effectiveness of the regime complex that manages Euro-Mediterranean relations seems to be in retreat. The Barcelona Process, set up by the conference held in that city in 1995, which created a comprehensive structure of association agreements with political, economic and social dimensions, went into decline for various reasons, both political and economic, analysis of which exceeds the scope of this section. Ranging from the deterioration in the conflict between Israel and Palestine to the inability to include agriculture in the free trade agreements, including the failure to make headway in the political dimension, the Euro-Mediterranean Association seemed to reach its natural limits a decade after its creation.

As recently pointed out, however, the EU never committed itself to a full deployment of all the economic incentives at its disposal.¹⁸ The new trade agreements being negotiated are now termed deep and comprehensive precisely because their forerunners were not, and are still not 20 years after being conceived. The 2003 European Neighbourhood Policy (ENP) was designed to complete the Euro-Mediterranean Association with a Europeanising normative focus befitting the vision that the EU had at that time of its own transformative effects.¹⁹

Despite its offer of participation in the single European market in exchange for normative convergence, the new policy passed more or less unnoticed and received a relatively frosty welcome among the Mediterranean partners, who detected in it a degree of normative expansionism. The offer of access to the single European market proved to be an excessively distant goal that could not be crystallised in short-term incentives. Countries such as Algeria even refused to draw up a Neighbourhood Action Plan, and the preferential arrangements, such as offers of advanced status, under this or other names, have proved to be ineffective in catalysing reforms to the extent that had been hoped. After the uprisings of 2011 there was a renewal of the ENP that again failed to extricate it from its 'identity crisis'.²⁰ The increasing complexity of the 'South' has clearly overwhelmed, at least since the Arab springs, the Euro-Mediterranean and neighbourhood institutional frameworks.²¹

The year 2008 saw the creation of the Union for the Mediterranean (UfM). Its narrative, based on major projects, replaced the Barcelona Conference's discourse of shared

¹⁸ K. Kausch, 2016, *op. cit.*

¹⁹ Escribano, 2005, *op. cit.*

²⁰ R. Balfour (2015), 'The European Neighbourhood Policy's identity crisis', IEMed Euromed Survey 2015, <http://www.iemed.org/publicacions/historic-de-publicacions/enquesta-euromed/euromed-survey-2015/contents-of-the-6th-euromed-survey>.

²¹ H. Amirah-Fernández & T. Behr (2013), 'The missing spring in the EU's Mediterranean policies', Think Global Act European, nr 1/2013, March, <http://www.delorsinstitute.eu/011-15087-The-Missing-Spring-in-the-EUs-Mediterranean-Policies.html>.

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peace and prosperity at possibly the least auspicious time. The founding of the UfM elicited a curious retrospective nostalgia for the Barcelona process: its greatest critics were precisely the first to miss its absence. It is true that the UfM was built on what it inherited from the Barcelona process and its framework of Association Agreements, including free trade areas between the Mediterranean partner countries and the EU. Indeed, it may be asked what added value the UpM has provided: its projects never succeeded in taking off and it lacks the necessary attributes to incentivise the economic reforms needed in many of the countries on the southern flank of the Mediterranean.²²

Despite all their problems, what have worked best in Euro-Mediterranean economic relations have been the foundations laid down at the Barcelona conference, essentially the free trade agreements and economic and financial cooperation. In reality, the UfM did not have to wait long to face the challenge to Euro-Mediterranean policy implicit in the Arab uprisings of 2011. It was a tough test, and the UfM soon exhibited its irrelevance, given that none of the proposed projects (ranging from an abandoned Mediterranean Solar Plan to a scarcely necessary Euro-Mediterranean university) addressed the causes underlying the uprisings, offering only responses that tinkered with the problem and technical projects far removed from the demands of southern societies for greater participation, redistribution and transparency.

In short, it is a case of an initiative that sought to depoliticise Euro-Mediterranean relations precisely at the time that more political capital on the part of the EU and its member states was needed, and ended up creating a narrative that was unconnected to the political and social dimensions of the region's development. Although built on the relationship between equals forged in Barcelona, the emphasis changed from a political discourse to one based on politically innocuous and, in some cases, economically unviable projects.

While the UfM languished, the building blocks of the Barcelona process started to show signs of fatigue. For example, the free trade areas established with almost all the countries along the Mediterranean's southern flank were perceived by their populations as yet another strategy imposed by their elites to capture the rents of liberalisation.²³ The liberalising enthusiasm of dictators such as Ben Ali and Mubarak, which was merely rhetorical when not extractive, contaminated the processes of trade liberalisation for many years. Nowadays, in both Tunisia and Egypt, there is strong opposition to continuing deepening Euro-Mediterranean free trade, and it is openly debated whether it has had any positive impact on the population; worse still, access to the European markets and financing is perceived as a perk exclusively for the elites and a major source of inequality of opportunities.²⁴

²² G. Escribano (2017), 'Casi diez años sin proceso de Barcelona', *Boletín de Economía y Negocios de Casa Árabe*, June-July, <http://www.casaarabe.es/noticias-arabes/show/boletin-de-economia-y-negocios-de-casa-arabe>.

²³ G. Escribano (2015), 'The Political Economy of North African Political Transitions', in Zoubir & White (Eds.), *North African Politics. Change and Continuity*, Routledge, Abingdon/New York, p. 3-17.

²⁴ W. Haddouk (2016), 'Letter from Tunis', *Judy Dempsey's Strategic Europe*, Carnegie Europe, 5/II/2016, <http://carnegieeurope.eu/strategieurope/?fa=62681>.

Algeria, which is outside the Neighbourhood Policy, has simply halted the dismantling of its tariff regime and is seeking to renegotiate the free-trade part of its association agreement. Morocco has been dragging its feet for years on the new deep and comprehensive free-trade deal on the grounds that it is asymmetrical, and the recent decision by the EU Court of Justice to exclude the Western Sahara from the fisheries and agriculture free-trade agreement with the EU runs the risk of seriously undermining the ongoing negotiations.

More regionally-focused alternative frameworks, such as the 5+5 initiative comprising the 10 countries on the western shores of the Mediterranean, lack sufficient traction. It is true that by limiting the geographical area of cooperation this initiative is assisted by a greater convergence of preferences and greater understanding of mutual interests. But the 5+5 initiative could prove to be little more than a platform for dialogue and, if it wishes, socialisation; the importance of which, given the delicate state of North Africa, should not be underestimated. The problem is that it lacks the economic mechanisms to offer commercial incentives, all of which are in the hands of the EU's trade policy. It is true that there is more room for manoeuvre in the area of bilateral development aid, but it is obvious that the EU's power of attraction is much greater than all the Union's southern member states combined.

Something similar is happening with the projects managed by the UfM: although it has limited soft power for fostering reforms among its partners on the Mediterranean's southern shore, the institutional framework and the political heft at its command scarcely leave room for other alternatives. In short, almost 10 years after the replacement of the Barcelona process's cooperative narrative by the technicalities of projects, it seems increasingly clear that nothing has been gained by the change and that the UfM has proved unequal to the task of re-launching the Euro-Mediterranean project or engaging in the strategic reorientation called for by the priority placed on the region by the new vision of European foreign policy.

The shrinking of the Euro-Mediterranean policy space

As has already been pointed out, circumstances both in Europe and along the southern flank of the Mediterranean have changed, and Europe's new foreign context requires the discourse to be updated. A growing sense of Euro-Mediterranean fatigue has set in on both sides: the EU has become frustrated at not reaping the rewards of its financial cooperation, while some of its Mediterranean partners continue fantasising about a Marshall Plan for the region, overlooking Europe's new economic realities; as far as trade is concerned, the Mediterranean partners want to re-balance a relationship that they consider to be skewed, while European societies' appetite for new free trade agreements is clearly in decline. The shrinking nature of the space for Euro-Mediterranean policies is evident in (1) the limitation of their expectations, (2) the ever-shrinking number of partners along the southern flank where such policies are perceived as relevant and (3) the growing competition with new regional and external actors.

European policies towards its neighbours, including to the south, already suffered from a crisis of expectations before the EUGS had a chance to undercut them.²⁵ The perceived gulf between the EU's potential and the yields of its policies have had an impact on its credibility. The clearest contrast between Europe's potential to propel the economies on its southern flank and the measures actually taken is provided by the case of Tunisia. Amid the serious difficulties that the Tunisian economy was undergoing, the European Commission decided to raise the import quota for Tunisian olive oil, increasing it in September 2015 by 35,000 tonnes until 2017, in addition to the 56,700 tonnes already established by the Tunisia-EU association agreement. It is striking that after so many years negotiating and signing trade deals, facing a situation of serious economic crisis and only on an exceptional and temporary basis, the European solution should consist of raising an import quota by 60% over the course of two years and, in passing, simplifying its management by removing monthly quotas.²⁶

This type of restricted access to European agricultural markets should have been abolished years ago and replaced by an approach based on the integration of the value chain in the food industry. Indeed, the shared peace and prosperity narrative can no longer be founded solely on trade preferences and financial assistance for the creation of institutional capabilities. If there are hurdles to be overcome in signing a free trade deal with Canada, the difficulties in achieving something similar with countries such as Sisi's Egypt may readily be imagined. The same applies to Morocco, however, where the EU Court of Justice's recent verdict excluding Western Sahara from the agricultural and fisheries deal could catalyse European political and civil society opposition to future agreements, such as the conclusion of the new deep and comprehensive free trade deal and the renewal of the fishing agreement.

Meanwhile, Morocco's integration into Europe's industrial (and food) value chains continues to grow. An ever-greater share of EU-Morocco (and Spain-Morocco) trade is intra-industry, and even intra-firm, in nature. The bilateral trade in services and the foreign investment needed to develop these Euro-Moroccan industrial networks are also continuing to expand. It is years since Euro-Moroccan trade shed the inter-industrial 'tomatoes in exchange for manufactured goods' pattern that remains alive in the collective European imagination. Such a strengthening of productive integration calls for an urgent extension of free trade deals, starting with the incorporation of agriculture and services, including professional services, as well as the adoption of European trade standards to obtain full access to the EU's internal market.²⁷

But in the new context and with the accumulated delays perhaps even this will not prove enough. It is possible that by this stage the major incentives that have been requested for decades, such as the full inclusion of agriculture in the free trade agreements and

²⁵ Balfour, *op. cit.*

²⁶ G. Escribano (2016), 'Túnez se estanca en la economía', Working Paper, nr 10/2016, Elcano Royal Institute, http://www.realinstitutoelcano.org/wps/portal/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/mediterraneo+y+mundo+arabe/dt10-2016-escribano-tunez-estanca-economia.

²⁷ G. Escribano & C. Sánchez (2015), 'Por la renovación del discurso hispano-marroquí', *Política Exterior*, nr 166, p. 74-85.

greater (though always limited) mobility for workers, have been rendered obsolete by the greater demands of certain societies along the southern flank, such as those of Tunisia and Morocco.

Apart from trade, other economic aspects of Euro-Mediterranean relations are also undergoing a period characterised by reduced policy space. For example, the failure of the Mediterranean Solar Plan, the UfM's hallmark project, creates a rather discouraging precedent regarding its ability to manage the Mediterranean's climate, energy and environmental resilience.²⁸ It is difficult to envisage how the UfM is going to be able to manage an agenda that includes the liberalisation of the North African countries' energy sector, the convergence of their regulations with European norms, the energy transition and climate change adaptation and mitigation.

Rather than its security-focused discourse, the EU should be developing an energy narrative that is more positive for its Mediterranean neighbours and better-aligned with its principles: replacing the emphasis on dependence with one of managing interdependence, progressing from the energy-rentier state pairing to another of energy for development, and addressing the problems of governance and transparency in the management of energy resources and the redistribution of their income among the population.²⁹ The shrinking space has also been noted outside the economic realm, for example in the foundational dossier of the Barcelona process for supporting civil society.³⁰

The waning of Euro-Mediterranean policies is also evident in its geographical space. The situation in Syria and Libya makes it very difficult for economic incentives to gain any traction whatsoever. In Egypt, the pragmatism with principles doctrine places (or should place) a ceiling on the economic incentives the EU can provide to President Sisi. In Algeria, the EU has not managed to find incentives that facilitate the formation of alliances for reform. The lack of Algerian interest in continuing to liberalise trade leaves the EU devoid of its traditional incentives, while being unable to offer an attractive model of energy interdependence based on access to the European market for Algerian gas to incentivise economic reforms, particularly energy reforms.³¹

In the end, the EU is left with the three anchors of Jordan, Morocco and Tunisia, more by default than by strategic decision. It is not as though partners are deliberately chosen

²⁸ G. Escribano (2017), 'RES in the hood and the shrinking Mediterranean solar plan', in I. Solorio & H. Jörgens (Eds.), *A Guide to the EU Renewable Energy Policy*, Edward Elgar, Cheltenham, p. 265-288.

²⁹ G. Escribano (2015), 'Towards a Mediterranean Energy Community: no roadmap without a narrative', in Rubino, Ozturk & Lenziy Costa (Eds.), *Regulation and Investments in Energy Markets. Solutions for the Mediterranean*, Academic Press, Elsevier, p. 117-130.

³⁰ R. Youngs & A. Echagüe (2017), 'Shrinking space for civil society: the EU response', European Parliament, Directorate-General for External Policies, Policy Department, http://carnegieendowment.org/files/Full_Text_-_EU_Closing_Space.pdf.

³¹ G. Escribano (2016), 'The impact of low oil prices on Algeria', Report, Center for Global Energy Policy, Columbia University, September, <http://energypolicy.columbia.edu/sites/default/files/energy/The%20Impact%20of%20Low%20Oil%20Prices%20on%20Algeria.pdf>.

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with an impact on regional stability: it is simply that not many eligible countries are left where the traditional economic incentives of Euro-Mediterranean policies remain workable; and as has been pointed out, the pool of candidates is shrinking. The problem is that the new geopolitical situation has raised the level of European strategic preoccupation with the South, conceived as the 'inner ring' of the southern European neighbourhood, without any careful analysis being conducted of its specificities and interrelations, a basic prerequisite for designing strategies, distributing responsibilities and being able to make informed policy decisions.³²

The very geopolitical conceptualisation of the Mediterranean is at stake. In contrast to the essentially hybrid concept of an inner ring of friends governed by Europeanised norms, architectures more in keeping with the new Mediterranean reality are emerging. Kausch characterises the regional system of North Africa and the Middle East in the wake of the 2011 Arab uprisings as 'competitive multipolarity', in which various regional and outside actors vie in varying alliances, something that introduces superimposed and sometimes contradictory geopolitical dynamics.³³ Other authors suggest a structure of 'regional heteropolarity' spreading beyond states to include non-state actors.³⁴ The presence of new actors has underpinned the EU shift towards liberal realism in its southern neighbourhood and restricted the room for manoeuvre in Euro-Mediterranean policy even more.

Rearranging options

The aforementioned limitations manifest themselves in a reduced range of options in Euro-Mediterranean policy. If trade deals and economic cooperation shed some of their attractiveness and capacity for incentivising reforms, the EU's economic policies among its southern neighbours lose much of their effectiveness. 20 years of low-grade free trade, without full access to the European market for agriculture, services or energy, and lacking even a bare minimum of professional mobility, have ended up eroding the credibility and the transformative potential of Euro-Mediterranean policy.

As the reduction of the Euro-Mediterranean policy space coincides with an increase in the region's strategic importance, the question becomes one of how to structure a new policy befitting the objectives being sought: a stable and resilient neighbourhood. But one year after the EUGS, calls to revitalise Europe's policies towards its southern neighbours continue to be conspicuous by their absence. As pointed out in earlier sections, the full utilisation of the economic incentives at the EU's disposal may no longer be enough, although it continues being the first step towards restoring the credibility of

³² L. Simón & V. Pertusot (2017), 'Making sense of Europe's Southern Neighbourhood: main geopolitical and security parameters', ARI, nr 10/2017, Elcano Royal Institute, <http://www.realinstitutoelcano.org/wps/wcm/connect/9c3d8842-0a50-4aa2-a916-0172850e2ec4/ARI10-2017-Simon-Pertusot-Making-sense-Europe-Southern-Neighbourhood-main-Geopolitical-Security-Parameters.pdf?MOD=AJPERES&CACHEID=9c3d8842-0a50-4aa2-a916-0172850e2ec4>.

³³ K. Kausch (2015), 'Competitive multipolarity in the Middle East', *The International Spectator*, vol. 50, nr 3, p. 1-15.

³⁴ Eduard Soler, S. Colombo, L. Kamel & J. Quero (Eds.) (2016), 'Re-conceptualizing orders in the MENA region, the analytical framework of the MENARA Project', MENARA Methodology and Concept Papers, nr 1, November, http://www.iai.it/sites/default/files/menara_cp_1.pdf.

Euro-Mediterranean policies. It is not enough therefore to pursue an incremental approach, with free trade deals characterised by more and more adjectives and sectors; instead, what need to be adopted are new structures of governance, new instruments and, perhaps most importantly, a new narrative that bolsters the attractiveness of the EU on the southern shore of the Mediterranean.

As far as governance is concerned, Kausch has suggested that in the new age of 'competitive multipolarity' in the region the best thing for the EU would be to project its Euro-Mediterranean policy as a cooperative regional order based on flexible integration. Such flexible integration would include the possibility of participating in 'opt-in policy communities' for countries such as Tunisia and Morocco, creating a lesser prize than the prospects of enlargement in the East but greater than that being offered by the Euro-Mediterranean and neighbourhood policies.³⁵

This model also seems to be in line with the EUGS and proposals such as widening the Energy Community to the aforementioned countries and getting them involved in other European programmes. This entails the deployment of new instruments, such as participation in the European energy market or adherence to an economic area akin to the European Economic Area. Although it would be important to establish at least which policy communities the EU considers open to such countries, the path of integration is also subject to limitations. These include the growing scepticism, mentioned already, towards more profound free trade agreements on both sides of the Mediterranean and equally political issues, albeit with a technical component, such as the impossibility of offering Morocco entry into the EU Customs Union owing to its desire to maintain an autonomous trade policy (ie, its free trade deal with the US and greater tariff protection against third countries).

Lastly, there is a certain consensus that Europe's narrative on the Mediterranean requires much more than rearrangement. It has been argued that the EU's discourse on the Mediterranean since the 2003 Neighbourhood Policy has tended towards an emphasis on security and de-politicisation, mirroring the differences between Europe and its southern neighbours. It is thus suggested that the Euro-Mediterranean discourse be revised before addressing changes in the way its policies are designed, whether to develop existing policies or introduce new ones.³⁶ The same argument regarding the need to renew the discourse has been made for the energy sector and with relations with Morocco and Tunisia.³⁷

Conclusions

Demands for a recasting of Euro-Mediterranean policy need to start from the premise that the global, European and Mediterranean context is very different to the one that pertained in 1995 (the Barcelona Process), 2003 (the Neighbourhood Policy) and 2008

³⁵ Kausch (2016), *op. cit.*

³⁶ Münevver Cebeci & Tobias Schumacher (2017), 'The EU's Constructions of the Mediterranean (2003-2017)', MEDRESET, Working Paper nr 3, April, <http://www.iai.it/en/publicazioni/eus-constructions-mediterranean-2003-2017>.

³⁷ Escribano (2015), *op. cit.*; Escribano (2016), *op. cit.*; and Escribano & Sánchez (2015), *op. cit.*

(UfM). This comes at the same time as the new strategic demand contained in the EUGS to prioritise the European neighbourhood, which in turn requires renewing the Euro-Mediterranean project. If it is to recover the impetus of its policies towards the Mediterranean, the EU cannot settle for another shake-up of the Barcelona process, their evolution under the UfM umbrella or reviews of the Neighbourhood Policy. For the purposes of renewal it will not do simply to push through and intensify some of the positive elements of past and/or present Euro-Mediterranean policies; rather it will be necessary to develop a new European project for the Mediterranean that is attractive enough to be capable of anchoring the expectations of its southern neighbours.

In a European context of strategic pragmatism and limited ambitions, before embarking on wholesale expansion and grand pan-regional designs, it may be helpful to reflect on the three elements that were emphasised earlier in this document: (1) regional governance that is more flexible but capable of realising all the potential of the economic incentives at the EU's disposal and incorporating new areas and mechanisms of integration; (2) concentrating on a smaller number of countries with greater propensity towards reforms, but not abandoning those such as Algeria and Egypt where the political economy balances are especially complex; and (3) changing the Euro-Mediterranean narrative to make it more inclusive and attractive, especially for the population as a whole and not only for the elites.

In terms of Euro-Mediterranean economic policy, this entails abandoning low-grade free trade and opening up new opportunities of integrating into the European market. The participation of countries such as Morocco in European industrial networks demonstrates the potential for Euro-Mediterranean productive integration. As well as continuing to develop intra-industry and intra-firm trade, the new Euro-Mediterranean trade deals should ensure that value chains in the areas of agriculture, agribusiness and services are incorporated once and for all. Another field with the potential for opening up new opportunities is that of energy, both conventional and renewable. Cooperation in the area of renewable energy, sustainability and the fight against climate change, in particular, constitutes one of the vectors where the EU has the potential to construct a differentiating discourse in line with the requisites of a cooperative regional order.