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Diploma Thesis

The relations between Mediterranean societies in the frame of institutional structures of Euromediterranean collaboration and cooperation

Supervisors:

Zoras Kostas, Professor, University of the Aegean

Grigoriou Panayiotis, Associate Professor, University of the Aegean

Mairy Bossi, Assistant Professor, University of Piraeus

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Introduction

The end of the Cold War found the Mediterranean Arab world politically unstable, economically weak and disorganized institutions without being able to overcome the complexity of the transition to the new season. The post-Cold War global order was unable to secure new structural and functional balances the regional system, leading to a situation of unforeseen changes and liquidity. Political, economic, social and religious tensions that often escalate into open conflict, most southern Mediterranean countries seem unlikely to be able to incorporate the new international financial system, the (inter) regional economic projects remain hopelessly limited. Being in limbo between discontinuity and rapid change, uncertainty and violent overthrow, the Mediterranean began to emerge as the major source of instability in contemporary Europe. Since the early '90s, analyzes gradually began to characterize it as very unstable, problems, cost asymmetry and social conflicts, migration flows pressing the perimeter of the Schengen and threatening faults divisive cultural and religious Systemic intensity observed can be attributed only to a degree in political-military factors and the revival and resurgence of radical Islam, and many Mediterranean countries face a range of new destabilizing transnational challenges such as terrorism, organized crime and trafficking in weapons and drugs. On the southern shore of Mediterranean is also a global security deficit, which stems from a post-colonial sense of vulnerability in the Arab world, coupled with the post-Cold War political influence of the West. Also, in the southern countries a large part of which is characterized by impairment civil society, division of public opinion and leadership teams, and what

the school of sociology define horizontal sections¹ “there is a general resistance to political change”. Many still are still in the process of government formation, and therefore, most systems rely for their survival in the centralized and authoritarian government². There is a broad social uncertainty arising from the problems of national-religious identity, economic deprivation and the general lack of governmental legitimacy. This uncertainty, according to Ayoob, “is the surface through the competing demands of socially cohesive, politically and administratively efficient contributory Member of the West.”³ It should be clear that the Mediterranean is a composition of distinct cultures. The note that most analysts reach different conclusions about the existence of a distinct Mediterranean entity or unity, and the ties between the two shores of the Mediterranean are on the composition and / or conflict of heterogeneous cultures, religions and national-racial groups. Despite the rhetoric of Braudel on a common "destination" cultivated common myths and cultural ideals in the Mediterranean in the 21st century, high levels of economic imbalance, political pluralism and economic systems, The divergent views on democracy and security, and The explosive demographic and migratory trends, complicate any attempt at a comprehensive approach. The Mediterranean is a heterogeneous regional area where the geography, history and politics entwined with culture and religion, resulting in a complex system of "imperfect" systems, each of which reflects a distinct Mediterranean feel and is belonging⁴. The Mediterranean after 1989 is characterized by a new multi causal verbiage and dynamism that drives the reformation of the components of the collectives. Both data convergence and divergence of these, redefined by a growing pluralism in the (inter) dependencies and regional governance structures, often finding expression through both new social movements and trends intersect predetermined limits, either through new political-institutional arrangements. In the Mediterranean, have changed attitudes and modes of action depend on different religious and secular interpretations of the sense of regional unity, national identity,

¹ N.Ayubi (1995), *Over-stating the Arab State. Politics and Society in the Middle East*, I.B. Tauris Publishers, London & New York, 1995

² M. Barnett " Sovereignty, Nationalism and Religion Order in the Arab states System", *International Organization*, Vol. 40, No. 3, 1995

³ M.Ayoob, "State Making, State Breaking, and State Failure" in C Crocker and F. Oslen Hampson, *Turbulent Peace*, US Institute for Peace, Washington D.C., 2001.

⁴ D. K. Xenakis and D. N. Chrysochoou, *The emerging Euro-Mediterranean system*, Manchester University Press, Manchester & New York, 2001

racial and religious diversity, they often hide from the pressures of the sovereign of forces of conservatism and its supporters an idealized past. Undoubtedly though, the '90s presenting and excellent opportunities for the redefinition of the cultural specificity of economic policy generally, the political future of the Mediterranean, encouraging a new round opportunities for regional cooperation with the European Union (EU). At the institutional level, prior to ten years, in November 1995, the Foreign Ministers of EU and Mediterranean countries relaying their bilateral relations in a multilateral a) framework for cooperation, the Barcelona Process with three main objectives: strengthen political dialogue and regional security, b) to establish by 2010 a Euro-Mediterranean Free Trade Area with mutual economic and developmental benefits, and c) rejoined The socio-cultural relations between peoples region. Today, the results of this process, though important, given the nature of the problems and the worsening international climate away from its original goals and expectations. The EU's vision to create a stranglehold on safety of prosperous and democratic countries as possible, remains distant. Apart from the escalating crisis in the Middle East since 2001, The "asymmetric" threats and hegemonic U.S. intervention led to an overall deterioration of the regional climate of cooperation, even on poor policy, which traditionally characterize the European approach.. EU enlargement has created new external borders and new neighbors in Eastern Europe and the Caucasus, while reducing the distance from the shores of the Middle East and North Africa. Bordering countries now suffering liquidity that real or potential conflicts, the EU still faces challenges more drastically as illegal immigration and the threat of terrorism. The successive terrorist attacks in Riyadh, Casablanca, Istanbul, Madrid and more recently in London, have significantly increased concern at the institutional level are reflected in the growth initiatives in the region. Apart from the Euro-Mediterranean Partnership (BTM), which bears the 1995 EU relations with Mediterranean countries as a result of enlargement, we had the new European Neighborhood Policy (ENP). The ENP is based on the principles of content and diversity, aiming at deeper integration with the European economic core, and adopting different tactics and support by EU, of course, to the extent that each country would be subjected to restrictions and reforms. The relations between the Mediterranean countries are not new issues for European security and the EU, but since the mid-90s are significant opportunities to encourage regional cooperation under the Barcelona Process. The aim was to strengthen political dialogue and regional security, to create a regional free trade area and rejoined the

socio-cultural relations between the peoples of the region but CAPACITY to provide for the (albeit long) integration of these countries in the European core. Several years after the start of Barcelona Process, the results are the initial goals and expectations.

Due to the nature of the problems and the worsening international climate cooperation since 2001, the EU's vision to create a stranglehold on safety from the prosperous and democratic states may remain distant. Apart from the continuing war in the Middle East after the outbreak of the second Intifada, asymmetric threats and hegemonic U.S. policy led to a deterioration in the climate of regional cooperation, even in low policy issues that traditionally characterize the European strategy. Furthermore, the lack of substantial progress and many times the attitude of the EU created a climate of resentment and suspicion in the Mediterranean partners, who believe that the EU uses PTBs to combat terrorism and illegal immigration, when in fact indifferent to economic growth and the progress of the South.

. It is also true that the recent expansion has created new external borders of the Union, reducing the distance from the shores of the Middle East and North Africa (Cyprus, Malta). EU enlargement has caused feelings of exclusion in most Mediterranean partners, as interpreted in danger of moving the political and economic interest of the EU for the states of Eastern Europe, now equally involved in European affairs. The current evolution of the Euro-Mediterranean relations raises several questions about whether the ENP will achieve its ambitious goals in the Mediterranean, what more can offer in building democratic structures in Arab countries, whether they live with the PTBs. Questions accompany it, also, selections from the EU to promote democracy and good governance through the ENP, given the tensions that arise in PTBs the differing perceptions of partners as to what constitutes a good city. Questions are, finally, the "morals of cooperation and flexibility of European policies on preferred strategies for implementation and monitoring of joint commitments, the ENP promises strict and immediate application of negative conditionality to available resources. The effect of the new European policy is expected to be crucial for the Euro-Mediterranean relations, and several partners looking for different levels of political and economic engagement with the European core. If you do ambitious ENP maintained as structure and political acquis, strengthening "bilateral sense" for EU relations, the PTBs is sure to fade. Probably the

best offer custom binary "packages" to bring some Mediterranean partners to move quickly on some reforms. Of course, Of course, The National sporadic reforms do not eliminate the need for a comprehensive approach to the problems in the region, and thus the need for a systematic approach to all challenges of the regional system will be restored.

Poor achievements PTBs and growing uncertainty overshadow the expectations for the future of EU relations with Mediterranean partners. In an effort to overcome the current stagnation required for registration to provide more and higher quality bonds of trust, regardless of the realistic problems in the Middle East.. A prerequisite is the identification of common Mediterranean interest and ambition among members of the EU Moreover, both the decision-making and management PTBs should not be exercised unilaterally by the EU under an asymmetric governance structure without the active contribution to its Mediterranean partners. If this happens, it will create new expectations in the South, apart from giving equal participation, and the necessary sense of "co-ownership to improve the capacity of the dialogue partners as a key parameter for the emergence of a new relationship between the disparate components of the Mediterranean.

PART ONE: RATIONALIZATION AND REGIONALISM IN INTERNATIONAL RELATIONS

A. 1. Regionalization and regionalism

The economic partnership between the EU and MNCs, decided by the Barcelona Conference in 1995, was invited to be implemented at a juncture where the

international economic relations no longer characterized by two seemingly opposing developments which are in force today.⁵

First, there is an intensification and expansion of international economic relations and trade. International trade is growing much faster than global output. This leads to a sustained increase in the international division of labor, since the strategic purchases and sales of businesses are now globally oriented. It also increases the degree of openness of national economies, thereby increasing rates of foreign trade to national GDP. Second, capital markets tend to consolidate international, and information exchange in the world with great speed and ever lower cost for the rapid evolution of communications and information technology. Thus, economic shocks and trends (eg recession, inflation, growth, and financial crises) are transmitted rapidly from country to country. This means that it is growing international macroeconomic and overall economic interdependence and interaction between the countries themselves. The conduct business and consumers increasingly homogenized. This trend is observed in international economic diplomacy (eg World Trade Organization, International Monetary Fund, OECD, UN Economic Organizations, Group 7, Group 8), where states are showing more and more interest in active participation. This explains the observed in recent years a trend towards broadening and deepening of the international institutional framework that regulates international economic cooperation.

These developments constitute the phenomenon of globalization, provided that we understand the increasing cross-border economic activity, the growing interdependence of national economies, the growing interdependence of money markets, capital, goods and services, strong internationalization of production and the internationalization of the institutional framework. A remarkable thing is that while the phenomenon of globalization seen a growing concentration of international trade flows in specific areas. It would not be an exaggeration to claim that the growth of international trade comes from the sum of growth in trade in various regional levels. This trend is characterized as Regionalization of the world economy and international trade. But unlike the "globalization", the "regionalization" is a centripetal process that includes two or more economies or societies to a greater mutual economic integration.

⁵ Oman Ch. The policy challenges of Globalization and Regionalization, OECD Development center, Policy Brief, No. 11, Paris 1996

The "regionalization may be the de facto result of the operation of economic forces at the micro level that is the result of free markets work. But it can be to ensure an institutionalized partnership of the governments of two or more countries. In this case de jure «regionalism" talks about "regionalism» (Regionalism) or "regionalization" from above⁶. From the standpoint of economic theory, the regionalization of world economy, which is gathering a large degree of trade and other economic relations to intra-regional systems, it is neither surprising nor a coincidence. This is because the transaction costs in transport, communications and finance, in the course of trade between geographically contiguous states, tends to decline and thus favors a regional concentration of foreign trade. Also common ethnological, cultural and historical bonds, which usually occur in neighboring states, may favor the development of intraregional trade. Also play an important role and effects caused by the development of certain industrial centers in the greater central pole region (center-periphery). Along with the intensification of economic relations at regional level, due to the autonomous functioning of markets, there is a historically unique effort by states to strengthen through agreements at the political level (top) regional economic integration. Thus, over the last decade there has been an increase in regional agreements. Since the founding of the PLO (1947) to 2001 have been announced for itself and in its successor organization, the World Trade Organization (WTO), more than 200 regional trade agreements. During the period 1986-1991 reported only five such agreements, while in the period 1995-2001 the number of reported agreements reached 100. From a total of some 200 agreements 150 or 75% apply today. So, about 3 / 4 of existing agreements entered into force in recent years.

⁶ World Bank, Trade Blocks Oxford University Press, 2000. Επίσης Baldwin R-E./Venables A., Regional Economic Integration, in Grossman and Rogoff (eds.), Handbook of International Economics, Amsterdam 1995, North Holland

1.2 Basic patterns of international trade and regional economic unions

The international network of regional economic groupings is now very complex both as regards the participation of states, and in terms of form, depth and breadth of integration. Many countries participating in more than one regional economic grouping⁷, often in different formats. Over 60% of the existing agreements relating to European countries. 15% of these agreements on developing countries, while in recent years and the U.S., which was traditionally opposed to such agreements and profess a global open economy instead of the regional market liberalization, were directed towards the creation of international regional economic groupings. Indeed, the main forms of transnational regional trade and economic cooperation, which can now develop and to involve Member States are:

Sectoral cooperation:

This is the most relaxed form of economic cooperation between two or more countries, but such cooperation shall include all economic activities, but not limited to specific sectors and various border programs. Several agreements on business taxation, the interconnection of national networks, direct investment, measures to protect the environment, several research programs and diverse commercial, industrial, etc. cooperation are classic examples of sectoral cooperation.

Preference System:

This system allows two or more countries decide to reduce the level of protection of their trade through the partial removal of several (eg tariff) barriers and obstacles in order to strengthen economic and trade cooperation. However, according to the international force, there is a fairly small percentage of trade covered by preferential agreements; in so far that has not yet adopted any form of harmonization of national Customs Tariff. A preferential system characterized by reciprocity and the principle of unilateralism. In the first case of a mutual preference system, the parties apply to the other equivalent reductions in various trade barriers, such agreements do not form commonly found among countries with approximately the same level of development. By contrast, countries with different levels of development (eg advanced industrial

⁷ This change in economic policy the U.S. is mainly expressed in the form of free trade zone and less in the form of customs union, common market or economic and monetary union.

and developing countries) apply non-reciprocal preferential system. In these cases, the economically powerful countries unilaterally reduce the number of trade barriers in order to increase their imports from economically weaker countries.

Free Trade Zone:

The decision of two or more countries to release the most part or completely their trade from the existence of various trade barriers is a free trade area (FTA). The exclusion of certain sensitive product categories (e.g., agricultural or industrial) shall not preclude the existence and operation of an FTA. The participation of a country in an FTA does not mean the abolition of national trade regime towards third countries. The risk of "triangular imports" obviated by specific agreements and certificates of inspection on the origin of goods.

Customs Union:

The Customs Union is the classic form of a regional economic integration⁸, if they eliminated all trade barriers to all trade between the Parties. A customs union implies the existence of a common customs tariff and a common external trade policy towards third countries, while revenue from the imposition of duties flowing into a common fund and divided among the countries -States.

Common Market:

The difference between a Customs Union and a Common Market is that in the latter case not only for the elimination of all trade barriers to all trade, but also about the movement of services, persons and capital and the free installation and operation of enterprises within the territory of member countries. It is clear that the existence of the Common Market contributes greatly to creating a genuine single market and creating a single economic integration.

Economic Community:

When the member countries of a common market decide and agree on the exercise or the harmonization of certain economic policies, such as common agricultural policy,

⁸ This is where goods are imported into a tritium country to country Member of FTA with low trade barriers and then forwarded to member countries with high trade protectionism against the original country.

common competition policy, transport policy, etc., they have created an Economic Community.

Economic and Monetary Union:

This Union represents the most advanced form of regional integration, as long as Member States have achieved a full political and economic union. They have a common currency, exercise common monetary and exchange rate policy and largely harmonized fiscal policy. In fact they are in final stage before to federalism.

2. Economic impact of international cooperation and regional integration

The creation of a regional economic union has a significant impact on individual financial results for both the participants and for third countries. The effects are not even limited to economic, but also extend to the political level. A summary of the main conclusions of scientific research, which deals with the reasons for setting and its impact on regional economic cooperation and integration, it is necessary to approach the subject of this work, because it provides a theoretical tool for research and evaluation of Euro-Mediterranean cooperation. At the same time, these findings will be used to verify or rule out certain hypotheses about the implications of the theory of international economic integration.

2.1 Create and trade diversion

The fundamental question the theory of international economic integration is associated with the welfare effects of economic integration⁹. At the same time distinguishing between Member States, an International Regional Economic Union for example, a Customs Union and Third Countries. As obstacles is internal trade, expanding trade, thereby increasing the division of labor. However, disadvantages are producers and exporters from third countries. Exports in DPOE reduced, because part of their exports is replaced by increasing trade within the union. The traditional trade flows, those applied before the creation of DPOE, deflected (trade diversion). This

⁹ Viner J., The Customs Unions Issue, New York, 1950. Επίσης DeRosa D.A., Regional Integration Arrangements: Static Economic Theory, Quantitative Finding and Policy Guidelines, Falls Church, 1998, pp. 19.

effect has negative effects on welfare and those participating in union states because competitive (cheaper) suppliers from third countries are replaced by less competitive (expensive) internal suppliers. In this case, the establishment of the union worsens the allocation of resources. Therefore, to assess the overall impact on the prosperity of Member States of the union should aggregate the two opposing effect namely that the "diversion" and "creation" of trade. If "diversion" trade overrides the "creation", then the total welfare effects resulting from regional integration are negative. The opposite is true in the case outweigh the effect of "creating" trade. A regional economic integration to be beneficial to the participating states and to avoid excessive harm to third countries, should "create" as much as possible trade and "diverting" the least possible. This situation likely happened when:

- Member companies produce similar products, but with different costs. Of course, in this case, the economies of the Member appear to be competitive, but in reality are potentially complementary. Because there are large margins of trade creation through the substitution of high-cost producer in a state of lower production costs than the other (and vice versa).
- The DPOE is large compared to the rest of the outside world. The greater part of the global economy participates in it, the less the prospect of "diversion" of trade. Similarly, the less foreign trade had its Member States DPOE before the formation of third countries
- The customs duties between Member States before the creation of the association is high and against other States low.
- The lower the CCT in the case of a customs union, the less the effect of "diversion" of trade.

The empirical investigation of these effects of DPOE on individual economies of participating countries shows that in general today is not an essential problem that the general opening up of markets and of low power tariffs. But there are cases, like for instance the protection of agricultural production in the EU over international competition, where trade diversion is significant.

2.2 Dynamic effects of international cooperation and regional integration

The above effects are only a partial description of the static effects of a DPOE. But there is also a range of other effects that occur in almost all forms of regional economic cooperation and integration and is known as dynamic effects¹⁰. These effects are weaker in the case of free trade zone and becoming stronger in the event of an economic and monetary union. Such effects are:

2.2.1 Scale economies

The liberalization of internal trade barriers by creating within the DPOE a large internal market, increasing thus the outlets products and business services. The market enlargement allows firms to achieve optimal size, using mass production processes and production in series, and generally take advantage of economies of scale and reduce unit production costs.

Therefore, the reasons for creating a DPOE associated with the expectation of increased productivity, growth and employment. In particular, the smaller the domestic market of a country and the longer the single market is created within a regional economic union, the greater is the expected development benefits from economies of scale and specialization of business.

¹⁰ World Bank, 2000 p.51 and Winters L.A., Assessing Regional Integration Arrangements, Development Research Group, World Bank, Washington, D.C., 1998. pp. 27.

2.2.2 Increasing competition

The removal of barriers to internal trade exacerbates competition between firms from Member States DPOE. This may initially cause increased specialization of individual producers in specific types of a product¹¹. In this case it is possible to increase productivity and reduce production costs. Increased competition could also lead to the abolition of national funds, which existed before the formation of DPOE. Such a ban would induce companies to make greater efforts to reduce production costs and improve product quality and ultimately reduce sales prices

The increase in business efficiency and reduce the gap between sales prices and production costs because of growing competition, have demonstrated empirically. Also experience has shown that intensifying competition is in fact a driving force of technological progress. Through increased spending on research and development, through innovations in production, product, organization and markets are to maintain or improve the competitive position of enterprises.

2.2.3 The decline in import prices and improved terms of trade

Due to the removal of internal barriers and maintaining them to third countries, but also because of increased competition and falling prices within a customs union, exporters from third countries are often forced to reduce prices of their exports in order to penetrate market association¹². This means better terms of trade of EU member states and increase their prosperity, but at the expense of third countries.

2.2.4 The dissemination of knowledge, expertise and technology

The removal of trade barriers and intensifying economic links within the DPOE allow faster dissemination of technical and organizational knowledge. This is achieved by increasing the flow of information and market transparency, which in turn create

¹¹ World Bank, 2000, p. 30.

¹² Chang W.- L.A. Winters 1999. "How Regional Blocs Affect Excluded Countries: The Price Effects of MERCOSUR". Discussion Paper Series No.2179. Centre for Economic Policy Research, London.

conditions to increase efficiency and improve resource allocation. It is now well established that the trade flows involving flows and technology transfer and expertise. Empirical studies have shown that the higher the percentage of trade with a developed country, the greater the access of the importing country in the technology stocks in the country and the greater the transfer of technology and expertise. Therefore, the increase of bilateral trade through the creation of a regional economic union significantly increases the flow of technology transfer and productivity of the importing country.

2.2.5 The growth of direct foreign investment

Businesses third countries to benefit from the advantages of enterprises located within a DPOE and avoid any discriminant treatment that goes to third countries are often forced to settle and make direct investments within the union, rather than export with it. Foreign direct investment from third countries are expected even be greater, the larger the market is created and the higher trade protection in third countries. The establishment of NAFTA¹³ and Mexico's membership in it exemplifies a significant increase in foreign investments (mainly Japanese) made in Mexico. The same happened in Ireland, Spain and Portugal after joining the European Community. Indeed, if the EU is seen increasing investment among countries and regional economic union.

2.3 Other economic reasons for the creation of international regional economic unions

Apart from this, there are other economic reasons that push states to pursue regional economic integration¹⁴. For example, the rise of "regionalism", which occurs

¹³ The North American Free Trade Agreement or NAFTA is an agreement signed by the governments of Canada, Mexico, and the United States, creating a trilateral trade bloc in North America. The agreement came into force on January 1, 1994. It superseded the Canada-United States Free Trade Agreement between the U.S. and Canada. In terms of combined purchasing power parity GDP of its members, as of 2007 the trade bloc is the largest in the world and second largest by nominal GDP comparison.

¹⁴ Baldwin R-E., The Causes of Regionalism. The World Economy, Vol. 20, 1997.

especially during the 80s in developing countries, can be attributed to two main reasons:

- First, the abandonment of the States introverted development strategies, ie the substitution of imports and the strong state influence the adoption of the strategy of foreign policy. In other words, to increase exports as a means of economic development and strengthening of market mechanisms inside. However, this new stance of developing countries is not found in practice very positive response from industrialized nations. During the same decade, these countries, implemented a policy of selective trade protectionism against many competing imports from southern countries. This meant finding a way out by developing countries with the creation of large regional trading patterns of cooperation (South-South Integration).
- Secondly, the orientation of developing countries to attract foreign investment. Creating a DPOE between them, namely a large and free internal market, the existence of a stable institutional framework and the existence of commercial or other barriers to foreign trade with third countries create favorable conditions to attract foreign investors.

Also, the growing "regionalism" in recent years associated with the phenomenon of globalization. Through regional economic integration is designed to improve productivity and competitiveness of economic entities from participating countries to enable them to respond to growing international competition. The challenge of globalization is not only pushing developing countries to create DPOE. The European Community introduced and implemented the "Project 1992" to complete the internal market and is seeking a full economic union in order to increase the competitiveness of European enterprises in the new world class production systems and markets. Besides the globalization of institutions and law, observed in parallel with the globalization of the real economy, the participation of the individual member is most effective when involved, negotiates and react in groups. The trend towards the establishment of regional patterns of economic cooperation and integration seen in recent years, shows a continuing dynamic expansion. Similar dynamics are even expanding existing formats, especially when they are successful. According to

Baldwin¹⁵, the regionalism gives off a ripple effect of reducing barriers and shows a flow as that of dominoes. The basic interpretation is as follows. The formation of a regional economic union, or deepen existing one, inevitably, to some extent, diversion of trade and investment. This misuse is driving economic forces affected third countries (such as export business), they see no distinction and their interests are affected by non-participation of countries in the new market to take action and put pressure on government them to participate and the country in DPOE. Laurence calls the phenomenon pressures for inclusion¹⁶. The larger one DPOE, the higher the foreign trade protection, the greater the commercial (export) a dependence in this country and as less likely to reduce trade protectionism in the context of multilateral cooperation (eg World Trade Organization), the greater will be and these pressures. If the DPOE open "club", that provides and allows for expansion with the admission of new members, the more likely it is constantly expanding. If the DPOE not intend to extend (at least medium), it is possible that non-participating states to react to form new associations between them. Both cases, despite the highly simplistic interpretation, are verified in practice. For example, Europe (EEC) of 6 in 1957, became the European Community of 9 (1973), 10 (1981), 12 (1986) and 15 (1995) etc. Moreover, the very establishment of the EEC led the reaction of other Western European states, which in 1960 founded the European Free Trade Association (EFTA or PSC). The same happened with the establishment of the Free Trade Zone between the U.S. and Canada (1985), which led to requests for enlargement and other countries in Latin America and especially Mexico. The North American Free Trade Zone (NAPA) between the U.S., Canada and Mexico is the result of this trend. Application for membership in NAPA submitted the countries Chile, Brazil, Argentina, Uruguay and Paraguay. This interpretive approach provides a first response to the enlargement, especially existing structures of regional economic cooperation, but does not interpret the creation of original DPOE to which particular economic and political reasons. Apart from those mentioned in the literature and other cases on the rise of "regionalism" observed in recent years. There are four main reasons for this operative outbreak:

¹⁵ Baldwin R-E., *The Causes of Regionalism*. The World Economy , Vol. 20, 1997. and Baldwin R-E., 1993 , *A Domino Theory of Regionalism*, NBER, WP 4465 Cambridge.

¹⁶ Lawrence R., *Regionalism, Multilateralism and Deeper Integration*. 1996, Washington: Brooking Institute

1. The large number of heterogeneous countries participating in multilateral forums. The heterogeneity of participating states is reasonable to make it difficult to find a common denominator in international trade negotiations. Furthermore, a state does not have the same economic and political weight of the rest. As a corollary to pursue closer relations with those states, particularly neighboring ones, with which it is technically possible and economically desirable to create a single economic space.
2. The authority (clause) most favored nation. According to this principle, which is the cornerstone of the GATT and its successor organization of the WTO, where two or more States enter under a multilateral cooperation agreement (eg, to reduce their tariffs), this agreement automatically applies automatically to all members of the GAP / WTO, even for those who did not sign the agreement. This principle often leads some members of the GAP / WTO or not to conclude agreements on trade liberalization in order to exclude countries that do not offer equivalent concessions or other members to behave as "stowaways» (free riders) and do not actively participate in negotiations, expecting to reap benefits based on the principle of most favored nation. Therefore, to exclude the "Member stowaway, creating a DPOE, which normally applies the principle of reciprocity is the best solution.
3. The type of protective measures and other invasive methods. These modern means to protect national production is not only tariffs and quotas. Rather, it is often opaque process; and not through external economic policy, but various internal economic policies. This category includes, for example, discriminant implementation of national specifications and standards, the discriminant veterinary control, the discriminant implementation of government contracts and procurement, allocation to domestic producers and exporters of various types of subsidies, etc. All these cases are complex, diverse, flexible, effective and transparent means of protectionism. Removing these barriers and effective control may be achieved more effectively in a regional rather than a multilateral level. Moreover, it is easier to create a common market or an economic and monetary union and the necessary creation of common law and common supranational institutions at the regional rather than global.

4. The global economic and political hegemony of the U.S.. There is a widespread view that the post-war international system of multilateral cooperation, as expressed through organizations like the International Monetary Fund (for international monetary cooperation) and GATT (for international trade cooperation) was a result of this hegemony. However, the development of new powers (eg EU, Japan, Pacific Countries in the 60s and 70s) caused the transformation of the international economic system from central to only a very central. The existence of a polycentric system, coupled with the pains of the negotiations of the Uruguay Round of GAP (1986-1992) in the late '80s led to the gradual withdrawal of U.S. from the principle of "multilateralism" and the adoption of the principle of "regionalism" .

These considerations do not have general application, but may explain the cause of creating some DPOE. Was demonstrated in practice that some agreements are difficult to make regionally than multilaterally. Asian countries, for example, welcomed the result of the liberalization of international trade resulting from the 80 round of the GATT (Uruguay Round), but there are still many problems in trying to advance their regional integration. The same happened in the U.S., where opposition to the creation of NARTA was much larger than the acceptance of results of the Uruguay Round of GATT. Also, a feature that they have several regional economic cooperation schemes is that they generally focus on removing trade barriers, but rather in the regulation of tariffs and quotas. Also, the claim that the U.S. abandoned the defense of the principle of "multilateralism, namely the cooperation and participation of almost all countries of the world present international forum, not entirely valid. As regards NAFTA, the establishment arose as a result of political will in Canada in conjunction with the change of economic strategy in Latin America, including Mexico, which had abandoned the strategies of import substitution and inward-looking development. At the request of other countries in Latin America, the establishment of the U.S. bilateral free trade zones, the U.S. reacted negatively.

3. Impact on economic convergence of the members of a regional economic union

A specific question posed often related to whether the creation of a regional economic union contribute to convergence or further divergence in development levels between Member States, where levels of development are different. One answer is a priori very difficult because there are dynamic processes that are opposing. For example, increased imports and competition in less developed countries may lead to decreases in production. Moreover, if transport costs and low prevalence of centripetal forces of economic centralization (eg sectoral clusters, technological externalities, the existence of skilled manpower, connections between companies, large local markets, supporting infrastructure and services) is likely to further increasing economic centralization in the developed country and serving the less developed country through trade rather than invest. In this case expected deviation. Conversely, if the primacy centrifugal forces (eg, high land prices in developed countries, environmental problems and limitations, high labor costs), high transport costs, technology and knowledge dissemination, utilization of the advantages of scale and competition, foreign investment from third countries etc. can be no transfer activity in less developed country and real convergence. Also, as in the EU can be and transfer funds through a regional mechanism for income redistribution.

The overall effect is uncertain. But under different empirical research¹⁷ shows that when creating a regional economic union between a developed country with high wages and a less-developed low-cost labor induced reduction of development disparities, ie real convergence. However, when forming an economic union among developing countries is much potential for variation due to the possibility of one of the members of the association to benefit most.

3.1. The political reasons for the creation of international regional organizations

The motivation for creating a regional and international acceptance or rejection of membership of a state in an existing association can be many times (and) politically. The most typical example is the EU, whose leaders, such as R. Schuman, J. Monnet,

¹⁷ Winters L.A., Assessing Regional Integration Arrangements, Development Research Group, World Bank, D.C., 1998,

R. - H. Spaak, Adenauer, De Gaulle and others, conceived the idea of European economic integration with the main purpose of the Franco-German reconciliation and to secure peace in Western Europe. Policy was the main argument of the Greek accession to the European Communities in 1981. Through integration, the Third Greek Democracy was seeking to stabilize and safeguard it. Also politicians are the reasons for the acceptance of Turkey's application for EU membership and its recognition as a candidate country. The EU is the one to support the western direction and the prospect of Turkey to strengthen pro-Western regime and avoid an upsurge in Islamic Turkey, and secondly because of the significant geopolitical importance of this country for European interests. Austria and Finland, despite the high economic dependence on the Community wanted but could not be included in the period of bipolarity that forced their neutrality. The situation changed dramatically following the lifting of the bipolar, so that the two countries joined the EU. By joining the (pre-or. Then) possible positive effects are expected to solve the Cyprus problem. Politically motivated mostly conceal also the EU's relations with developing countries and countries in transition. Of course, political reasons cannot always explain the creation and expansion of DPOE. But in some cases giving or key word. It is known that the political weight of countries in terms of international economic diplomacy depends on the size of their markets and economic dynamism. When alone, developing countries have great potential to influence the behavior of industrialized countries or international financial institutions. Conversely, the stronger economy is the regional shape up as more states and the greater the degree of internal integration, the more effectively can promote the positions and interests in international economic cooperation forums. Of the representatives of the New Political Economy¹⁸ has noted another important political discourse that pushes states to seek membership in DPOE. The reason is related to regional integration from above and the operation of various interest groups within states. This is for those groups, such as government-funded enterprises, monopolies and oligopolies, farmers, trade unions, etc., which react in national restructuring efforts, to increase competition through domestic reforms and generally opening up markets. Participation, however, a state in some DPOE, where competition and decisions on a new joint supranational institution implied, gives national governments a prime opportunity to reduce or eliminate the resistance of

¹⁸ Olson M., *The Rise and Decline of Nations*, 1982. Yale University Press., New Haven

powerful interest groups. Governments of countries wishing to join, often find allies in their effort in those financial groups that their interests are served by open markets and the public when the latter is frequently updated on the overall benefits of regional integration. The analysis of relations between the EU and MNCs is a prime example for the evaluation of the above findings and conclusions of the theory of international economic cooperation and regional integration.

PART TWO: THE EUROPEAN COMMUNITY / UNION AS A MODEL OF INTERNATIONAL REGIONAL ORGANIZATION

A.1. The external relations of the European Union

Both the economic importance and the joint civil and military stocks of the EU Member States are a huge potential, which is capable of playing a leading role in international developments. Substantial though European participation in the international arena is suboptimal its actual weight, while the system of the Community's external affairs appears as a sui generis case in the field of International Relations. The special character of the community, which is more than an intergovernmental organization, but less than a sovereign state, makes it difficult international action. Because of a complex and highly complex division of responsibilities between Member States and Community institutions, foreign policy is not sufficiently expressed by either side of the Member States, which continue and maintain their sovereign rights, or the side of responsible subsystem concept developed by the Community. The confusion, ambiguity and failure to single out expression of the Community should be sought early in the gradual transformation of the community model. The Treaties of 1951 and 1957 did not provide for Community powers related to foreign policy. However, the aim was to create a common market in which goods, services, security and personnel flowed freely. The only external responsibility was to implement a unified trade policy gradually. But with successive political and economic changes that occurred under pressure from trading partners, now seeking a political dimension to their relations with Community, European

integration went beyond the economic and commercial entity. Faced with this reality and to maintain the growing economic importance of the Community,

Member States have had since the early '70s to coordinate national foreign policy, thus creating the famous "European Political Cooperation". Member States, represented by the Ministers of Foreign or their political directors, created by an SFA discussion forum for external relations, which had and policy, apart from economic dimension¹⁹. With the SFA Community has therefore a first step towards joint action in external relations, without reaching a clear distinction of roles between SFA and the Community. Despite strong criticism brought on the effectiveness of the EPS was a valuable supplement to foreign policy of the Government and a key area of cooperation within the Community. All the more so when the atypical form of APS tuned and consolidated for the first time in 1987 with the revision of the Treaty of Rome by the Single European Act (SEA). The fundamental transformation of the subsystem, however, the Community's external relations is in the Maastricht Treaty on European Union (TEU), the introduction of the "Common Foreign and Security Policy (CFSP), which is the necessary outcome of high degree of internal and external trade, economic and monetary cohesion achieved by the Community. The main objective of CFSP in the field of external relations is to develop and consolidate democracy and rule of law, fundamental freedoms and human rights and development cooperation. Take the form of "principles and guidelines" and "common strategies" by the European Council, "joint actions" adopted by the Council of 'statements, press "by the EU and the 'conclusions' meetings Council. These principles, coupled with maintaining peace and strengthening international security at the heart of foreign affairs of the European Council and the institutions. The CFSP is subject assesses provisions set out in Title V of the TEU and is a separate pillar of the EU, because the operating procedures differ from traditional areas of EU activity. What remains as an intergovernmental cooperation just as the EPC to the CFSP, decisions are entitled to

¹⁹Of particular importance to the operation demonstrated the network "open line" developed by the State, known as COREU. The network between the Foreign Ministries and the Commission was created to facilitate rapid decision making in foreign policy emergency situation without a formal meeting of ministers

the Governments of Member States and unanimity, except in special cases of "joint action", which provided a qualified majority. For the first time, moreover, the Commission may take initiatives and participate fully in the affairs of the CFSP, and in some cases require the decision of the European Parliament, which will be informed. The weaknesses of the CFSP, despite various initiatives developed, seemed brought to the fore during the ethnic conflicts in former Yugoslavia, that the problem of negotiating capabilities in the field of external relations of the EU to become the dominant issue of Government Conference of 1996/97. It had become clear that the EU external action policies and economics are identified and mutually intersect each other. Under this need, issues of common commercial policy, the CFSP and other external relations will have to house in one and the same title in the Amsterdam Treaty. Instead the EU Treaty (Article 3, ex C) provides that "the Union shall ensure consistency of its external action under the policies in external relations, security, economy and development" The experience of the first years of the CFSP was not mirrored the expectations of Member States. These steps, however, recorded in Amsterdam, to be converted from a loose into a consolidated institutional intergovernmental EU cooperation on foreign policy are welcomed and are a further instance of the dynamic and continuing evolution of Community / EU phenomenon.

2. Key features and empowers Foundations

a) Political level.

The most basic feature of the system of EU external relations is the duality of nature. Since the mid-70s, the Community has two related but different sets of decisions for external relations: While the external economic affairs within the competence of the Commission and the Council, matters of security are subject to intergovernmental cooperation under CFSP. Basically, all the Union's external affairs falling within the remit of the four principal organs, namely the European Council, the Council of Ministers, the Commission and the European Parliament. The analysis, however, the roles of the European Council or Council of Ministers leads to the finding a pro-sovereignty of Member States in making decisions. The pre-dominance, however, is significantly restricted by fixing the two-nants: Within the EU Member States are forced to make decisions based on the proposals, i.e. contrary to what happens in the

case of CFSP, where need for consensus and to exercise veto allowed it ample freedom for individual action by Member States. The finding also that the cooperation between Member States is many times more profitable for the economic and political interests, than the national lonely path, is the second determinant restriction. Most simple is the definition of powers under the CFSP, where Member States have not granted any kind of sovereignty to the Community institutions. Despite its name, the CFSP is not a "common policy" in the sense we understand, for example, a common external trade policy, but rather a characteristic of a common institutional framework for intergovernmental cooperation. This cooperation may cover all aspects of external relations, but denying the autonomy of the Community powers in the area of external economic relations. The above duality subsystem for the EU's external relations occurs at the level of representation. While under Articles 113, 228 and 229 of the EC Treaty's representation in all international negotiations made by the European Commission in the CFSP though the representation of foreign and security policy has the Member State in which this time chair of the Community. Obviously, this binary representation is in fact impossible for the Community to express out single, but also a serious problem for countries that are forced to negotiate, often limits the time a round, with different authorities and partners. In the Community's external relations is used regularly by the "common method" exemplified this trade policy, where the Commission has the exclusive right to propose and negotiate. The monopoly but that the Commission is subject to real control of the Member States through the Council, which guidelines should be followed forever (the negotiating mandate), besides the fact that ratification of the various agreements made by the Council itself on course his own proposal. It is obvious that dualism is not only complicates the role of the Commission, along with third countries should negotiate with the Member States, and that the lengthy procedures involved in smoothing the differences and the satisfaction of many interests, act negatively to the patience and trust in third countries. Decision-making within the CFSP shown here is simpler. All decisions prepared by the Policy Committee, composed of competent directors of foreign ministries, presented by relevant ministers in the Council, where the force of the principle of unanimity for decisions. The advantage, however, that in the case of CFSP there ambiguities in the role and responsibilities of the institutions, overshadowed by the fact that in many cases the decision-making process appears less effective than in the Community. The essential reason for this ineffectiveness is inter alia, the principle of unanimity, the

alternating six-month presidency and the limited role of the Commission. The duality of the EU appears and the means by which it is expressed to the outside: While in the Community uses various instruments such as declarations, resolutions, guidelines, etc., under the CFSP are only "joint action" the ambiguous "common positions" and most recently the "common strategy". These policies are however no reaction energy and foreign policy and security are being closely monitored process, but arrive at this decision, a kind of quasi-secondary law CFSP. The duality is found and implementation of Council decisions. While that is within the Community the Commission is responsible for the implementation of decisions under the CFSP liability is transferred to the Member State holding the Presidency of the period. The necessary cooperation and support of other Member States in this case, but the least administrative diversity of Member States, are major disadvantages for the Union's external relations with third countries. These disadvantages are increasing even more, counting and specificity in the economic aspect of EU external relations: While the measures that the economic foreign policy financed by the EC budget, it is the CFSP does not have the appropriate funds to meet decisions. In many cases, Member States should contribute to national resources, leading to conflicts between the Council, Commission and Parliament. The duality found in the case of the European Parliament, which exercises democratic control of the Union's external relations. Within the Community, the Parliament has a number of important and "hard" powers of control and influence. The case of the various association agreements with third countries, with the assent of Parliament or by the Council and the Commission informed of where trade agreements are a prime example. Generally the Parliament, the jurisdiction in the budget, has considerable potential influence and control in any agreement, which requires financial support. Contrary to the case of the CFSP is limited to simple information from the Presidency and the Commission. The lack of powers of Parliament in the latter case, the main cause of the "lock" on the part of many economic foreign policy decisions of the Community, seeking thereby to acquire such powers within the framework of CFSP.

b) The economic level.

With the founding treaties, the States ceded a small part of their sovereign rights in the Community in terms of external economic relations. In fact, the Community's

powers are those specifically mentioned in the treaties, but not distinguished by clarity and therefore open to numerous interpretations. Important thing in this is article 110 of the EC adopts the principle of free trade and is the basis of relations with its trading partners worldwide, Article 113 which defines the Common Commercial Policy, Article 238 provides that the Association Agreements and Article 210 with which the Community shall acquire legal personality and negotiation skills in the field of International Relations. The different interpretations given at times by both Member States and the Commission for External responsibilities Community have caused many times the assistance of the European Court, which performed these roles with a broad and dynamic concept, recognizing in principle that the Community has the legal capacity and authority to enter into commercial operations. Thus, trade policy is the typical area where Member States have granted the sole responsibility of the Community, therefore, the Commission is a prime maker of all foreign trade agreements by the Community. The standard, however, conclude any agreement for the Council of Ministers to ratify, by a majority. In everyday practice, however, found many times the phenomenon of 'mixed agreements' in which, under Article 238 EC, the possibility for Member States to appear separately and together with the Community and to make a number of additional agreements. The Council and the Commission "within their respective spheres of competence are the core institutions of responsibility for the consistency of its external action under the policies of the EU's external relations, of course, the phrase" within their respective responsibilities, creating a huge debate about the division of powers between the Community and Member States and beyond to the right of disposal from the Community beyond the explicit and others implicit or implied powers. In this major round of talks, the European Court applied the principle of internal and external battery power in case-law of the line, starting with the assumption AETR (22/70) and various opinions, such as the 1 / 94 World Trade Organization (WTO), in the sense that the "doctrine AETR» is particularly important because not only contributed significantly to the emergence of the deduced powers to establish the field of external relations and enlargement of the original rational powers. An example in this case are policies under the principle of subsidiarity as policy "environment in the context of sustainable development" for "research and technological development ', 'monetary policy ', 'public health ' and "cooperation for development" The separation of the

evolutionary path of the external powers of the Community may be divided into three phases:

1. Confirmation and explanation that will follow the interpretation of Justice in Case AETR.
2. Consolidation, together with a gradual EU action in international affairs, according to the opinion 1 / 78 of the ECJ and the powers the TEC records.
3. The ambiguity created by the conclusion of the WTO Agreement on the division of powers between Community and Member States and adopted Opinion 1 / 94 of the Court.

3. The European Community in the global scope of economic forces

Internal and external factors mainly contributed to the presence on the global economy are very important. In the new global data generated by the almost universal rejection of one-party ideology and the collapse of centralized economic planning after the collapse of Eastern Bloc and the removal of bipolarity, the role of EC upgraded. The mutation is one of the two superpowers has led the transformation of the bipolar system by then in an apartment too and repositioning of relations between nations and regions to new bases. The upheavals occurring in the new international political and economic environment of these developments have opened new prospects for economic cooperation but also created new geo-strategic interests of the redefinitions and new types of diffuse risks. In pure economic terms, the dominance of the market economy and the gradual weakening of exclusive or preferential relations between some states have changed their terms of supply and demand in international markets. After completing even trade negotiations of the Uruguay Round dominate a new multilateral framework that accelerates the process of economic globalization. This phenomenon is actually the result of the liberalization of economic

policies that marked the early 80s and technological developments in communications, transport and information technology. Economic globalization creates a situation of interdependence is increasing and expanding not only in economic and financial sectors but also in society itself, safety and environment. Thus, while from a national policy lose more ground efficiency and flexibility, there are also new phenomena of exclusion and disrupted the social fabric of developed societies, without this necessarily mean the removal of the marginalization of the poorest communities. Logical conclusion of all these unstable factors is the emergence of social tension sometimes nationalistic or totalitarian nature. It is therefore clear that international economic relations are not confined to international trade in goods and services but represent a complex network of political and economic aspects. In this new international environment, the EU has important responsibilities and obligations. Because even the Community is not a static but a continuing evolving phenomenon, called more than ever to reaffirm the political, economic and cultural role in Europe and worldwide. This confirmation and the overall EU action are achieved through three main roles: to stimulate the development, common commercial policy and external relations²⁰. As regards the first two goals, the sovereignty of the EU's new polycentric international system is unequivocal; it is the largest trading power and the largest donor of funds for development. These two roles depend mainly on the creation of the Central Union, that the European Community, which is emanating from virtually all policies are the third pillar of the Union. It is the typical case of Article 3 of the Treaty, which provides a common trade policy, a policy on development cooperation and links with overseas countries and territories. Furthermore, in accordance with the pronouncements of Article 131 TEC (ex Article 110) the Member States aim by creating a customs union, common interest, to the harmonious development of world trade and the progressive abolition of restrictions on international trade. Moreover, under Article 180 TEC (ex Article 130), the Community and its Member States shall coordinate their policies in the field of development cooperation and consult on issues of aid to international organizations and conferences. The economic and political weight of the Union in international affairs and also demonstrates the fact of diplomatic relations with 157 countries worldwide, of which there are representations in Brussels. The Treaty provides for

²⁰ N Moussis European Union Law-Economy-Politics, Athens 1998,

even close cooperation between diplomatic and consular missions of the Member States and Commission delegations in third countries. Also important is the presence of the Union in the deliberations of GATT / WTO and the OECD. Moreover has observer status at the UN and work closely with the Council of Europe. However, particular attention is the participation of the most famous group of developed countries, G7 and G8, which consists of four member states (Germany, France, UK and Italy), USA, Japan and Canada, and currently manages advanced agreements and cooperates with one way or another with more than 120 countries worldwide²¹.

3.1 The EU's role in strengthening international development cooperation

The reasons that prompted the Community to the forefront, almost from its inception, to strengthen international development cooperation dates back to colonial past, some Member States and economic considerations. In addition to responsibility for solidarity between developed and developing countries, which historically justified, the Community realized very quickly that the initial selective policy and attitudes toward developing countries, particularly in former colonies had to be changed. This is because the existence and development of the Community depends to a considerable extent on the size of imports and exports and direct foreign investment. Since then had to develop commercial activities worldwide, found that the offered global advantages reduce the preferences agreed at regional level. This led to the conclusion that each of the following agreement with third countries should be a tool for an overall development strategy. Towards this direction is clear in Article 180 of the Consolidated EC Treaty (formerly Article 130 Y), which provides coordination of the Community and its Member States in development cooperation and assistance within international organizations and conferences, undertaking joint actions. Similarly, Article 181 (ex Article 130 W) for cooperation with third countries and competent international organizations. Under those provisions, the EU has developed a vast network of connections (industrial and technological cooperation, trade, various development programs and all kinds of assistance) and the mechanisms by which contribute to global development aid. Minutes can now be distinguished:

²¹ N Moussis European Union Law-Economy-Politics, Athens 1998. p,574

- The link 71 countries in Africa, Kara "the Caribbean and Pacific (ACP) with which the EU has a special relationship since the beginning of the founding of the EEC.
- The "global Mediterranean approach" to the southern Mediterranean, with which the EU has a special regional policy, and follows with great interest the efforts undertaken by the Maghreb countries to set up the Arab Maghreb Union (OER).
- The cooperation with many countries in Asia and Latin America, which may well be less preferential, but the exports of developing countries that benefit from the system of preferential treatment.
- The countries of Mexico, Argentina, Brazil and Uruguay and the countries of the Andean Pact (Bolivia, Ecuador, Colombia, Peru, Venezuela), which have signed framework agreements are aimed at strengthening regional economic integration. Important is also the same type of agreements have been made in 1980 between the EU and the Association of Southeast Asian Nations (ASEAN) in 1988 with the Cooperation Council of Gulf countries and recently with MERCOSUR.
- The countries of Central and Eastern Europe (CEEC) and countries of the former Soviet Union, with which the EU under Article 238 have signed "Europe Agreements" and mixed areas of national and EU competence or agreements on economic cooperation and trade in basis of favored term of the gross state.

Also important is the participation of EU development cooperation in the world, such as the UN Conference on Trade and Development (UNCTAD), the Organization of the UN Industrial Development (UNIDO) and UN agencies Food and Agriculture (FAO). The EU is still trying to help combat hunger and other ills through various programs such as food aid program, which, as a structural tool, contributes to long-EU cooperation with non-governmental organizations, contribute decisively to the same direction and have an important role since 1982 incorporated the European Emergency Service Humanitarian Aid (ECHO).

3.2 The external dimension of EU trade policy

The gradual expansion of international trade, particularly after the Kennedy Round negotiations under the General Agreement on Tariffs and Trade (GATT), which participated in the Community as a whole has a common trade policy of the Community one of the most important policies that impact to extend beyond European boundaries. The successive enlargements and to consolidate most of the common market turned the Community a dynamic attraction particularly evident in the various bilateral negotiations or by third countries or the multilateral framework of GATT. Thus, the Community trade sector was the largest in the world, performing, including the domestic trade, 38% of international trade, compared with 11% of U.S. and 9% in Japan but that the primacy of the EU means that economic prosperity depends largely on actual imports and exports. The Community, with the current size of approximately 370 million people, is actually the biggest market in the industrialized world, open to all who wish to trade with it. Furthermore, the need of exports, which are mainly processed (80% of total) goods, is as indispensable prerequisite in order to finance imports of food and raw materials, where the Community is the world's largest importer agricultural products. The EU is also large and the service sector, along with the significant development of trade. During the first steps of the Community economy and foreign trade was mainly oriented to the production and trade of industrial products. This is not the case today after fierce competition from newly industrialized countries in traditional sectors, and after the economic changes brought about by new information and communication technologies. Thus, the service sector is now the largest employer in all EU countries, representing 60% of EU employment and contributing 62% of gross domestic product, compared with 35% of the industry and 3% in agriculture. But internationally, the EU is by far the largest exporter of commercial services. In 1998 contributed 25% of the total trade of general services, compared with 20% of the U.S. and 8.5% in Japan. Where there is trade, followed the course investment, which together constitute the two pillars of the international economy. The increase in international trade

interdependence, the greater amounts available for cross-border foreign direct investment. It is characteristic for this example of Community direct foreign investment from 1980 to 1996, covering 1 / 3 and carried over to third world countries. The EU encourages and protects the financial information flow and ahead at various international meetings, particularly at the WTO to ensure a level playing field, ensuring a clear international rules. Currently, the sector of foreign investment is governed by an extensive network of over 1500 bilateral governmental agreements. It goes without saying that the EU needs to export markets are equally open to products such as its own market to imports. The opening of markets and the existence of free competition is a key factor in the very existence of the EU Within facilitates the international division of labor and the use of available resources in the most efficient way. To this end, the EU has benefited greatly from the achievements of successive rounds of negotiations in the context of the General Agreement on Tariffs and Trade (GATT) as well as international trade rules that were included in the WTO with the successful outcome of the Uruguay Round in 1994 where the EU has led all efforts. In all of these important negotiations agreed trade liberalization programs and services. The series of tariff reductions under the GATT resulted in a reduction of less than 5% of the weighted average level of duties of the Community of industrial products. If indeed taken into account and different tariff preferences granted by the EU in various suppliers, then the actual tariff drops to about 1%. Significant benefits arise but also for developing countries, whose processed products are imported duty free to European markets through direct negotiation or through the Generalized System of Preferences (GSP) of EU .The decision of the drafters of the Rome Treaty to establish a common trade policy for foreign trade, was a logical consequence of the free movement of goods and services in the Community. For the same reason, to complete the internal market by 1993 had a significant impact on foreign trade policy of the Community. The EU decision of 1985 on the establishment of this internal market without frontiers is one of the most important milestones in its history. The importance extends beyond EU limits. With this decision, the Community has forced governments and companies inside and outside, to redefine the strategies of production, trade and investment. The main motive behind that prevailed in the 1992 draft was to benefit Europe Business through economies of scale and thereby to strengthen international competitiveness. For the sake of the common commercial policy of opening up the Community, the benefits of the single market and expanding

companies in countries outside the EU, even in European rivals under the same conditions and a rigorous competitive basis. In this sense, the EU created a single market as an introvert "European fortress", but a genuine open market in a uniform or mutually recognized set of rules, regulations and procedures²². The EU is always ready to negotiate bilateral or multilateral agreements on mutual market access with governments whose firms wishing to operate within the Community. In some areas even as financial services and government procurement, the EU offers full rights to foreign companies operating in its territory, provided that each is allowed (reciprocity). Thus, the benefits of the single market extending directly or indirectly in all EU partners, to which is bound by bilateral or multilateral agreements.

4. The foreign trade regime of the EU

The EEC Treaty provided the possibility for Member States to develop their economic cooperation through two mechanisms. On the one hand, the abolition of internal trade barriers and free movement of goods and services was instrumental in creating a competitive economic order to achieve economic integration of Member States (negative integration). On the other Member States were in many cases the rights of intervention policy. By harmonizing the national but in reality intervention, political minimizing disagreements by Member States of the existence of both market mechanisms and interventionism in the early steps of the Community must be sought in the "mixed" economic system of the Member States. It was therefore reasonable to maintain the "mixed elements" in the internal market and to identify from the outset, the structure and overall development. The envisaged by the Treaty of the EEC joint economic action format found its best expression in the Single European Act (SEA)²³. Both the Treaty of Rome and in the SPD if the competition is central, that the objectives set by the European Commission in 1985 in a White Paper on completing the internal market by 1992.

The regulations set by both the Treaty of Rome and the SPD was interpreted as a

²² Molsberger- A.Kotios, "The Single European Market of 1992 within the GATT of Nineties", in Th. Oppermann-J. Molsberger, A New GATT for the Nineties and Europe '92, Baden -Baden

²³ Article 8a of the SEA determines that the internal market comprises an area without internal frontiers in which guaranteed the free movement of goods, persons, services, and capital as well as the legitimacy of the Community to Provenge in the economic-political interference in industrial and regional

quasi "economic constitution", according to which Member States and relevant institutions must coordinate their policies and actions to safeguard competitive economic system from various private and public distortions. Despite the fact that the European economic constitution was an important mechanism to complete the internal market, though his philosophy has proved largely incomplete and imperfect. The relief was due mainly to the division of domestic market into separate policies, eg agricultural, industrial, etc., so that the European economic order is not distinguished by specific and uniform rules. The European economic constitution does not specify settings on the formulation of relevant EU external trade arrangements of the internal market. A fundamental correlation can be considered the case where for interventionist policies but the foreign trade to complement the general principles and the four basic freedoms that characterize the internal market. This important gap characterizes both the overall foreign trade policy, and general competence related to the policy organs of the Community. It is characteristic of the discussions that led to the interpretation of the basic trade regime with Article 110 of the EEC, both for this article is not a key commercial regulation of the competent institutions, for it is clearly expressed intention of the Community to implement a liberal foreign trade policy. The gaps, however, and any disputes under Article 110 covered largely by Article 113 of the EEC which empowering bodies to form a relatively independent foreign trade policy, an important aid in this direction is also provided by the exceptions of Article HI, XVI, XI, XII, CHIV, XIX, XX, XXI, XXV GATT²⁴. The European Court has interpreted the law of the GATT as an integral part of the EU, however, rejects the direct use of bringing the legal system governing the foreign policy of the Community, established by Articles 110-116, and the law GATT, characterized by imperfection. The Treaty of Rome aimed at creating a common market among Member States, within which they secured the four basic freedoms, namely the free movement of goods, persons, services and capital. The impact of the customs union, originally created for this purpose was to establish a common customs tariff and a common commercial policy. Imported which of third countries should be treated uniformly by all Member States to move unhindered in the customs union. The

²⁴ Many of these exceptions to the GATT, which legalizes the adoption of measures to protect "fair" and "unfair" imports are an integral part of EU external trade

legal treatment of such freedom of movement was based on existing international economic order that determined the rules of GATT 1948. That was the reason that under Article 131 TEC (ex 110) Member States with the creation of a customs union intended «... contribute to the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers». Today, the revised Article 133 TEC (formerly 113) stipulates that the common commercial policy based on uniform principles, particularly with regard to changes in tariff rates, the trade agreements, liberalization measures, export policy and measures to protect trade with are taken in cases of dumping and subsidies. During negotiations with third countries, the Commission shall submit proposals to the Council, which then allows for further negotiations. Decisions concerning the common commercial policy since 1970 obtained from the Council by qualified majority²⁵. It is clear that trade policy is the sole responsibility of the Community and its Member States are obliged to act jointly in all international negotiations that have an economic purpose. Thus, even in cases of international agreements, the Union is shown by the Commission together with Member States and signed agreements, and in many cases (agriculture, fisheries, several global agreements on basic products, traditional trade agreements, preferential agreements and association etc.), the EU has exclusive competence. Because of the complexity of international trade relations and the risk of escape is determined by the Community under Article 133 of the Treaty of Amsterdam made the amendment. Henceforth, the Council must act unanimously on a proposal from the Commission and after consulting the European Parliament to extend the provisions of the common commercial policy to international negotiations and agreements on services and intellectual property. The cornerstone of the commercial status of the Community as a common customs tariff, which applies to all Member States to imports from third countries. A new dimension of the Common Customs Tariff is that since 1995 taking into account the annual editions of the outcome of negotiations of the Uruguay Round. Significant progress is also decisive for the foreign trade regime of the Community, is the new common import regime established by Council Regulation

²⁵ A qualified majority is determined by Article 205 (formerly Article 148) TEC Fri the 2nd, where the threshold is 62 votes to 87

1994. Under the new scheme regulating imports of all which of third countries, apart from textiles and imports from Russia, North Korea and China. The new terms of imports and the various measures to be taken are achieved through the EU information and consultation procedure. The Community has developed since 1979 an effective mechanism to protect trade in order to shield its trade regime and protect its producers. Especially in cases where the export price is less than the normal value of a similar product (dumping), the Community shall impose anti-dumping duties. In all these cases the Community has recourse to the provisions of the Anti-Dumping Code, the Code for subsections and countervailing duties, GATT, and the differences are heard by the Court. The same applies to 1994 and imports from third countries of products covered by the system of subsidies. Therefore, in order to avoid possible injury from the use of a product on the market which manufacture, production, extraction, etc. is subsidized, the Community is entitled to impose a temporary or definitive countervailing duty. As regards the export regime, the Community since 1969 established the absence of quantitative restrictions on their freedom to third countries, with few exceptions (oil and gas oil) and some commodities whose export would create a shortage in the EU market. The quantitative restriction on exports can be extended so as to place of origin and the place of destination. The foreign trade regime of the Community is characterized by the pursuit of fair competition between exporting firms. It is unclear as to this point, Article 132 TEC (ex Article 112), which provides that subject to various obligations of Member States, and systems of aid granted by Member States for export to third countries progressively harmonize to the extent necessary to avoid distortion, as competition between firms in the Community²⁶. This arrangement was necessary because in the 70s presented several cases of distortion of competition in terms of providing export credit insurance and credit. Commercial Defense Community complemented by the implementation of measures that relate to provisions of certain sensitive products such as textiles and dairy products, beef and civilian aircraft. A typical example of trade protection is the "multi fibre Arrangement" (MFA) in 1974. The states that signed the settlement it had committed it not to adopt new restrictions on trade in textiles and even to go to the gradual elimination of quantitative restrictions. The agreement has been reviewed under the GATT 1993 and these products as well as general clothing are introduced

²⁶ Since 1983, the Union has the OECD arrangement on export credits, while the new rules in 1992 limiting public support for export credit rates. See OJ L 44, 22.02.1993 and EE L 69, 11.03.1997.

into the normal WTO rules in three phases by 2005. Similar measures have been adopted in products shipbuilding, steel, and imports of cars, mostly Japanese. In 1991 even the Community has agreed with Japan to cooperate closely in a transitional period until 1999, when the Community market should be progressively aligned to liberalize imports for the five protected markets: France, Italy, Spain, Portugal and United Kingdom. The Japanese side should ease its exports following the supply and demand and in view of EU production. The agricultural sector is perhaps the largest sector, where applicable sectoral measures of the Community. This happened especially during the negotiations of the Uruguay Round, where they agreed to convert various forms of protection to customs duties (tarification).

The importance attached by the Community trade shows abroad and the financial support given to promote exports through a vast network of programs, conferences, partnerships with various organizations and professional associations and general initiative within the International Trade Organization.

4.1 Basic features and determinants of EU external trade

The foreign trade policy can be a complex area, but it is one of the most important sectors of economic activity that affects the maximum growth, prosperity and employment. This explains why the EU, which is the most open trading bloc in the world, took the initiative to eliminate its internal borders and to foster economic integration and interdependence among its members. In order to achieve their global business objectives, 15 EU Member States, representing only 6% of world population, but 1 / 5 of total trade, negotiate now as a state with their trading partners. This role came to the Commission under specific mandates approved by the governments of EU member states. It should however be done, if the EU is able to act decisively in the highly competitive environment of international trade and indeed the general system of philosophy POE. I the Community's external trade and its main facility remains in general lines open to all. Institutional though foreign trade policy of the Community is based more on "micro" and less "macro" rules, which is explained by the absence of a comprehensive, integrated and long-term foreign trade. Thus the only determinant factor of trade policy around the Community remains the amended Article 131 TEC, which however does not clarify the true relationship between a liberal and a protectionist policy. Even with the amended Article 133 TEC (ex 113) for only a

limited extension of the external powers of the Community without passing these international responsibilities by Member States. The external Community trade policy is characterized by the almost exclusive responsibility of the executive power of the Member States, where commercial and political decisions taken under the influence of specific economic policy guidelines, economic and political goals and special interests in third countries. This reality has the effect of reducing the difficulty of adopting a specific foreign trade policy by the Community. Furthermore the phenomena of the commercial decisions of the executive of the EU are not subject to any parliamentary or judicial control mechanisms. Thus, it is only interested states to consider whether the EU or its Member States act within the rules of GATT / WTO. The bureaucracy and the complexity of the arrangements for the Community's external trade are still specificity and a problem. And even today there is the phenomenon of delegation to solve many business problems in the administration of the Brussels bureaucracy and the implementation of measures "low politics" does not always make the necessary solution. The regional and sectoral pluralism of institutional trading framework of the EU is also one of the most distinguishing features. The possibility of differential treatment of third countries by the Community was already foreseen by the Treaty of the EEC. Under this option, the Community has made a series of trade agreements with third countries, which are an integral part of institutional foreign trade policy of the Community. But this meant the separation of EU external trade regime and regional level. The same is true in the case of sectoral foreign trade policy of the Community. As seen above, in some specific sectors (eg agricultural, textile, steel, electronic, shipbuilding), the EC provides special arrangements. But there are cases which were not covered by EU rules, but rely on a purely national arrangement (such as the case of commercial vehicles). Similar cases it leads to a differentiated policy with third countries that it is not possible to speak of a single, but most forms of foreign trade policy. Another feature of the external trade policy of the Community is the probability of its formation under pressure from vested interests. That is, whether the Community has granted the right to interest groups and businesses in general to request a specific commercial policy measures. Such a right has indeed Community producers in the anti-dumping and countervailing policy. The right that the Community producers, ie steps taken by the Community «unfair» imports do not have other social and business groups such as consumers, taxpayers, importers, etc. Therefore it can arrive to the conclusion that productive

organizations in the Community engaged in a considerable influence within the institution and the actual configuration of the external trade policy. The statutory scheme EU external trade, as seen above, is a synthesis of international, national and Community rules and regulations. Pluralism is the rule of the Community's external trade leads us to the position that EU trade policy is exercised in the event class and the type and intensity of some statutory or otherwise trade rules determine the actual trade policy. Furthermore, the external trade regime featuring many regional or sectoral policies, from which each one has its own principles. In general, foreign trade policy of the Community is distinguished by three coexisting principles; the relationship between them is neither fixed nor stable:

1. The principle of free trade, which applies almost exclusively to trade products certain agricultural and mineral raw materials that do not compete with EU producers. Surrender to the reality of the Community from imposing duties on raw materials is, initially, community and loss of customs revenue from the economic point of view that imported goods are left to market forces. The liberal policies but was ultimately a positive impact on EU exports, as long as the duty-free importation of raw materials from third countries actually increases the purchasing power of export countries.
2. The principle of limited liberalization, which makes partial use of the principle of free trade in cases of regional and sectoral policy. Examples are several imports of industrial products within the Community from EFTA countries from preferential Mediterranean and ACP countries. For some sensitive industrial and agricultural products is of course the principle of protectionism. The principle of limited liberalization, however, exercised either autonomously by the Community side (eg unilateral preferential relations), whether as a result of bilateral and multilateral negotiations on a reciprocal basis.
3. The principle of protective interventionism, which is divided into trade diversified and mainly applies to those imports of products whose production in the EU, has significant disadvantages compared with those offered from abroad. The protective interventionism is not true for all countries, but more

for those countries whose exports to the EU require additional processing.

The fact that foreign trade policy of the Community is a synthesis of national, EU and international data suggests that it should be understood as such and as an expression of a complex coordination process for decision making. Through the European Council and the Council of Ministers, the foreign trade policy is decided jointly by the Member States. The bodies of the decisions at the supranational level do not decide "in a vacuum, but their commercial decisions are a compromise between the various positions expressed by individual Member States, and positions crystallized under the influence of several factors. Final decisions, however, are made by the relevant EU bodies to express foreign trade policy:

1. starting with the potential consequences that can have these decisions in third countries (Spill-Over Theory) and
2. With the assurance that decisions are consistent with the rules of GATT / WTO.

The importance and impact of various determinants of EU external trade cannot be estimated in advance, except in special investigations. There are however several studies and theories supporting the existence of specific factors that significantly affect the formulation of foreign trade policy.

5. The geographical diversification of bilateral foreign economic relations of the EU

The Community's trade policy, particularly as regards the system of import is not uniformly applied. There is thus a phenomenon where specific trading rules and regulations apply only to specific countries or groups of countries. The geographical diversification of foreign economic relations of the Community is thus a commercial and political institution per se, which seeks to reposition and enhance economic, political and development prospects of all commercial opportunities. In terms of regional characteristics, the Community's trade policy can be divided into four main categories:

1. The Community appears and operates as an independent business area. Free trade between based on the will of the Member States.
2. The Community, under the free trade agreements with individual countries, has developed geographic principle of free trade in industrial goods on a reciprocal basis.
3. The Community provides almost all developing countries unilateral customs preferences. The effect of the liberal employment of this preferential policy is limited by the fact that the preferential relations are not valid in terms of content the same for all developing countries and do not include all commercial goods. In addition, the interventionist foreign economic independence of developing countries remains untouched by the unilateral preferential trade relationship. The application is therefore the policy of tariff preferences to certain countries or products, there is always evidence of differentiated commercial deal countries.
4. The Community applies the normal tariff, the tariff that is based on the most favored state pure and applied only to certain countries (eg USA, Canada, Japan, New Zealand, Australia, Taiwan, and South Korea) and against certain State-trading countries.

These regional characteristics of foreign trade of the EU are in fact derogated from the principle of non-discriminant treatment. The exception is difficult to justify on the basis of regulatory theory of foreign trade, because the application of this principle based on efficiency is the best solution. But opinions are divided about the question of the contribution of regional cooperation in removing trade barriers globally.

Opponents argue the regional cooperation, saying that trade liberalization at the regional level masks protective effects on preferential projection, which lead to distortion of the principle of free competition and thus adversely affect the creation of a global free trade. The opposite is the case for regional cooperation, because in this way obtain the internal dynamics and international trade. So that cooperation at the regional level creates conditions of familiarity with liberal trade and economic practices that result in similar tactics worldwide. A diversified policy towards third countries almost always contains elements of politicization of foreign trade and bilateral relations, often occur, and conduct commercial and political exploitation.

The politicization in their bilateral relations occurs through the individual provisions of trade agreements, which are made under bilateral diplomatic negotiations. Consequently, what prevail are political considerations and tactics strategy and not necessarily always the economic rationale and the appropriate business behavior. Moreover, commercial and political preferences are the springboard for achieving spheres of influence. This is particularly the preferential relations between countries with different economic and political weight. It is a characteristic passage from Jacob Viner, who said: 'Of' the more serious movements which involved a great power and a small country or a number of small countries, it appears to have been the case without exception for the great power that political objectives were the important ones », while smaller countries« only the economic consequences as a rule were regarded as attractive, while the political aspects were thought of as involving risks which might have to be accepted for the sake of the economic benefits with which they were unfortunately associated²⁷ ». In this sense, it is very likely to show conflicts between non-preferred countries and among disadvantaged countries as a result of differential treatment.

The sectoral diversification is the key to building a basic prerequisite for any form of differential treatment of third countries. The existence of trade barriers initially involves the differential treatment of imports, in contrast to what happens in a truly free trade system, where the key factor is competition. Thus, undifferentiated policy is an integral component of global free market or a component of national liberal economic order. However sectoral components, such as competition between domestic and foreign producers and the kind of international division of labor can significantly influence the formation of a geographically diversified foreign trade policy. For this reason it is anticipated the reaction of domestic enterprises that are competitive with the projected imports, against the opening of the domestic market on a reciprocal basis. Instead, it becomes easier to accept the liberalization of trade, when it attempted unilaterally.

The ultimate financial goal while the major consequence of preferential economic relations is to expand trade bilaterally accompanied by a series of positive or negative effects. In general adverse effects include reactions of domestic entrepreneurs, the loss of government revenue from customs duties, possible reactions from non-

²⁷ R. Pomfret, 1988, p. 138

preferred countries, etc. The cases of creating a free trade area on a reciprocal basis between two or more countries differ in the case of unilateral tariff preferences. The free trade area is easier to evenly between developed and democratic countries on a reciprocal basis, rather than unilateral liberalization, especially when the arguments are only economic. By creating such a zone, however, the countries involved seek to exploit all the static and dynamic benefits of economic integration. This course requires that the cost of the anticipated benefits should be well below the cost of the necessary trade measures. However, this calculation cannot be determined in advance. The only sure outcome of such a policy is the dominance of competition at the regional level²⁸. Preferential relations are interpreted differently in the case of developing countries. The theoretical justification is based here dichotomy in the theory of foreign trade, in which free trade among developed countries, although perhaps prevent the development of comparative advantages to less developed country. Of course, this is not only due to "teething problems" of the new industries that are unable to compete with those of developed countries and the limited domestic demand because of the narrowness of domestic markets. But regardless of the correctness of these theories, the unilateral adoption of preferential relations applied in the most economic diplomacy during the past decades. Developed industrial countries, despite their initial skepticism and different from each country put forward arguments, accepted, formally at least, preferential relations, which eventually was to prove as a convenient and relatively "cheap" tool to achieve non-economic purposes. This acceptance is explained by the fact that the preferential relations, among other influences, and contributed decisively to defuse the multifaceted "political pressure" exercised by the third world countries to developed countries. The requirement, therefore, developing countries preferential relations can be described rational, while the benefits of these relationships have been reported by A. Smith two centuries ago

²⁸ J. Bhagwati, "Regionalism and Multilateralism: An Overview"

5.1 Determinants of differential treatment of third countries from the EU side

Regional policy is part of the total foreign trade policy of the Community from the first moment of application. Articles 237 (new members) and 238 (link to third countries and organizations) to enable the Community to pursue diversification policy and make preferential relations with third countries. Therefore, preferential relations, developed by EU countries to countries and dependent areas (colonies) in accordance with Article 131 of the EEC, were referred to as an accompanying phenomenon all its developments and an integral part of the common commercial policy. Therefore, the EEC Treaty was the legal basis for the EC Member States, which supported the principle of preferential treatment. Apart from this basis there was initially no other specific provision for the exercise diversified with third countries, except in cases involving the colonies. The form of preferential policies has been a few times, the result of a specified policy designed to achieve clear commercial interests. However, symptomatic were the factors that affected the foreign trade policy of the Community to third countries. This explains the significant differences between the various trade agreements with third countries. A common fixed preferential relations between the EC could only have been the historical precedent of the European countries to treat more favorably some countries. The fact that foreign trade policy was the only instrument for achieving common objectives in the new external EU European effort transformation, catalyst in the development of preferential relations with third countries. As an additional factor may be considered the policy of certain Member States (France, Belgium, United Kingdom, the Netherlands), which are secured by a diversified, maintaining political and economic influence in former colonies. Thus, Member States, in particular France and the United Kingdom is not only contributed decisively to the regionalization of the Community's external trade, but succeeded, despite American objections, the exception to the principle of "non-diversified" in the negotiations of the GATT the creation of a multilateral trade order after the Second World War. Giving preferential treatment to developing countries by the Community can be widely interpreted as a continuation of the preferential policies of the Member States to a colonial past. It's typical insistence of France in the negotiations for establishing the EEC, to maintain the status quo ante with its former colonies. Article

131 of the EEC is in fact the transfer of French views, despite the alleged German and Dutch opposition. This created the basis for further development to third countries of the preferential policy. The membership of the United Kingdom to the EC was an additional impetus in this direction, and in this case shows that efforts to bring national interests at EU level. The others were forced to retreat to the requirements to avoid an obstacle in the process of enlargement of the Community. The phenomenon of neither transfer of national interests and beliefs at Community level in order to achieve Community differentiated policy towards developing countries shows that the policy was neither the intention nor the interests of all Member States. The Community therefore used as an instrument and as a means to implement the preferential policy. The various political and economic developments have affected the course and determinants of fixed regional trade relations. Incentives, however, the Community remained unclear, while the Kahler described the development of EU preferential policy as one «movement from a recent colonial legacy to relations developed for other contemporary, and often vague, reasons ». One of the " causes " of the Kahler for this development can be found in the same policy of differential treatment of third countries²⁹. The granting of preferential policies to one or more countries automatically display reactions on the part of disadvantaged countries that seek such treatment in order to minimize the negative consequences of their interest's diversification. Experience has shown that the preferential policy is difficult to isolate narrow geographical limits. Because even for political reasons is not always possible and easy removal of the agreed preferential relations, the usual practice is to expand these relations and other partners to minimize their reactions. This phenomenon is characterized by Baldwin as «Domino Effect»³⁰. The momentum that was developed with the diverse EU policy often led to difficult-controlled political developments. This experience will force the Community to develop a suitable module, able to tackle problems related to the implementation of a differentiated policy.

²⁹ R. C. Hine, *The Political Economy of European Trade: An Introduction to the Trade Policies of the EEC*, Brighton 1985,

³⁰ Hudec, *Participation of Developing Countries in the GATT legal System*, Trade Policy Research Center, London

PART THREE: A MEDITERRANEAN AREA AS A SPECIAL SCOPE EU RELATIONS AS A MODEL OF INTERNATIONAL REGIONAL ORGANIZATION

A EURO-MEDITERRANEAN APPROACH 1961-1995

1. Origins and motivation.

The commercial and political relations between the Community and Mediterranean countries are the most typical case of differential trade policy in terms of geography. But these relations, which date back to the 1960s, it joined the outset in a stable and homogeneous under a statutory external trade policy on the part of the Community, but have separate ad hoc agreements with all Mediterranean countries or groups of countries, based in most cases the preferential status. The many amendments to these agreements are also a feature, due to various causes other than lack of coherent policy, such as enlargement of the Community, the political and economic competition between the Mediterranean countries, the overall international political and economic circumstances, the pressures of many member countries of the Community for protective measures for various products etc. By the end of 1972, during a first period, the Community has concluded bilateral trade agreements with most Mediterranean countries, except Albania and Libya, which for political reasons have not shown a similar interest. The quasi "Mediterranean policy" of the EEC during this period is characterized by a spirit of pragmatism while, but mainly due to the initiatives and pressure from Mediterranean countries into the Community. These countries know very well that the opening-but the EU markets not only ensured exports mainly agricultural products, but also the unique opportunity to break their political isolation. For some of them even meant something more: Greece and Turkey, for example, aimed at ensuring the parliamentary regime, Spain has sought rapprochement with Western Europe, Israel sought to de facto recognition of statehood, while the socialist Yugoslavia was seeking the return of its relations with the COMECON and the

opportunity to pursue an independent from the two superpowers foreign policy³¹. While the benefits of these agreements for the Mediterranean countries is evident, though the motives of the conventional approach of the Community to these countries vary. So there are supporters who exaggerate the economic importance of space for the Community, considering the major Mediterranean markets for the export of European industrial products and equally important to supply Europe with raw materials. At the same time supports the view that the key motivation of the Community is the geostrategic and political importance of the Mediterranean area for security and development in Europe. But regardless of the correctness of one or another theory, what is important and is a place of work is that the creation and development of Euro-Mediterranean partnership is the result of a conscious effort on both sides, which is based on geographic proximity, traditional. Political relations, cultural ties and economic interdependence. The contractual relationships with the Mediterranean countries can be divided into three periods:

1. In the first contract period 1961-1972, characterized the development of bilateral relations mainly in the form of association agreements
2. the period 1972-1985, which is trying to develop a "Global Mediterranean Policy (ERT) and
3. The period 1985-1992, which is actually the continuation of the ERT, but because of the third enlargement of the Community led to the formation of "As Renewed Mediterranean Policy" (ITQs).

However, total network of relations between the EU and Mediterranean countries created as a result of an evolution of the band "action - reaction" to the configuration mainly contributed to the following factors:

- The persistence of France from the first moments of the founding of the Community to retain the same system that regulated the relations with the

³¹ A. Kotios, "an exchange of Economic between the EEC and the Mediterranean countries and the Community of a development policy ", in E. Arampatzis, The Mediterranean policy of the EEC, Thessaloniki 1983

Maghreb countries (Algeria, Morocco, Tunisia). Finally, by a Community, these countries were considered as a continuation of French territory.

- The vital interests of the Mediterranean countries for the opening of EU markets, mainly in agricultural products and exports raw materials. Of particular interest in this direction demonstrated the Maghreb, Syria, Malta and Cyprus and the southern European countries such as Greece, Turkey, Spain and Portugal. To great interest in certain Mediterranean countries of southern Europe, such as Greece and Turkey to join the Community Association through special agreements, which resulted in practically new preferential relations.
- The phenomenon of "Domino." First Community's agreements with certain Mediterranean countries led quickly to the reaction of other countries, which wanted, mainly for economic but for political reasons, to conclude similar agreements.

1.1 The agreements of the contract period 1961-1972

The origins of the first approach of the Community with Mediterranean countries already found in the additional protocol to the Treaty of Rome, under which Algeria has secured financial aid from the EEC. The high economic dependence of these countries from the Western markets and direct competition from Mediterranean products particularly Mediterranean countries of the Community, such as Italy and France, which intensified further with the introduction of the Common Agricultural Policy (CAP) Community closure of the internal market for agricultural products resulted in increased pressure for almost all the Mediterranean countries in collaboration with the EEC. Under these circumstances, the Community signed a series of agreements, which in their entirety until 1972 are characterized by their diversity and are classified as follows:

- The Association Agreement between Greece and the EEC was signed in 1961 and aimed at the country's gradual participation in the process of European integration. This agreement is the beginning of the connections of the EEC

and the Mediterranean countries and also the cornerstone of Mediterranean policy a contractual basis. Based on Article 238 of the Treaty of Rome provided for the establishment of a customs union, after 12-22 years, the harmonization of Greek economic policy with that of the EEC and the creation of common institutions.

- The association agreement between Turkey and the EEC in 1963. This is a similar arrangement to that of Athens, but great emphasis on full inclusion.
- The trade agreement Israel-EEC in 1964. This agreement, with clear content and duration of duty until 1967, was replaced by a preferential agreement in 1970 and aimed at increasing trade between the Parties.
- The agreement with Lebanon signed in 1965 and came into force in 1968. The duration was three years, renewable, and the main feature of the mutual granting of the status of most favored nation.
- In partial agreement with Morocco and Tunisia in 1969. These two agreements that came into force after lengthy negotiations provided reciprocal trade preferences for agricultural products and especially for five years.
- In a preferential agreement with Spain in 1970, this envisaged the gradual elimination of trade barriers of most trade between the two parties and for six years.
- The non-preferential agreement with Yugoslavia. Signed in 1970 for three years, recognizing the most favored state.
- The agreements with Malta and Cyprus 1971 to 1972, which aimed at creating a customs union in two of five stages.
- In a preferential agreement with Egypt in 1972. The duration was five years, providing tariff concessions by both sides.
- In a preferential agreement with Portugal in 1972, indefinitely and to eliminate trade barriers between the two parties and the provisions of the GATT.

The overall economic assessment of these agreements the Community is not easy to assess in the absence of detailed investigations. Most, however, by existing conclude

that the Third Mediterranean Countries³² who are interested in this work, have not increased their export figures. This is mainly due to the fact that during this period, the Community had an increased protective policy for agricultural products mainly because of the comparative cost advantages that were themselves the products of MNCs. At the same time contracting and Mediterranean countries could not exploit the various opportunities provided by the agreements concluded with the EEC, because of structural economic weaknesses and limited competitiveness.

2. The Global Mediterranean Policy 1972-1985

The fragmentary and incoherent "Mediterranean policy", developed by the EC during the 1961-1972 first conventional approach, it could not continue for long. Apart from the uneven way the Community's cooperation with the individual Third Mediterranean Countries, the undefined time limit of agreements, the need for a systematic financial and economic cooperation, the relatively poor results of the first period, and various transformations both within the Community and the international environment contributed to the need to redefine its policy towards Third Mediterranean Countries. Under these circumstances, the European Council adopted in Paris in October 1972 the Commission proposal on the need to exercise a coordinated, structured and uniform Mediterranean policy³³. Under the proposal, the first agreements signed in 1972 until the PCS should be reviewed, and the future be integrated into a uniform framework now sets the newly created Global Mediterranean Policy (ERT). The situation for the Europeans was unique because, in conjunction with the Lomé agreements, the new initiative would give the ERT in the Community, a greater global entity engaged in regional cooperation.

2.1 International determinants of the Global Mediterranean Policy

In the early '70s by the Community, which had already been recorded in the assets of a successful economic retraction, he was no longer able to seek new ways of expression and expansion of external relations. The climate of recession that prevailed

³² including Tunisia, Morocco, Algeria, Egypt, Syria, Lebanon, Jordan, Cyprus, Malta, Israel, Turkey and Palainistiniaki Authority.

³³ For the importance attributed by the Commission in enforcing such a policy, see the text of the notice in Europa Archive, 1972, D. 502

between the two superpowers allowed the Community to gradually acquire its own pace in international affairs, which became increasingly necessary as widening the space of external actions through the development of regional cooperation. First step in this direction was the creation of the EPC, as seen in the first chapter, which was introduced in an overall spirit, dominated by Europe as a cultural force "and this has" made any cooperation without dependency. The international scale for the Community was indeed appropriate to use its external relations The EC could become a leading force in the Mediterranean area, having as starting the new model of democratic cooperation and respect for human rights, taking advantage of both economic and cultural strength, and the negative image of the two superpowers, which due to their military superiority. The new role of the EC should therefore be launched through a new policy that could be developed as a specific policy approach in the North-South dialogue. The adjacent area of the Mediterranean which is historically and culturally, Europe was the ideal exercise for the new global Mediterranean policy, which could be applied a new model for cooperation between developed and developing countries, according to new data from the International Society for a more balanced and equitable economic order. Even absent these circumstances, the excuses that have contributed to the creation of the new policy by the EC in the Mediterranean area were many and include:

- The enlargement of the Community in 1973 with three additional members (UK, Ireland and Denmark) led to the need to revise or supplement the hitherto agreements with MNCs, and less formal adoption of these new members.
- The Community's commitment to sign new broad agreements with Morocco and Tunisia.
- The pressures exerted by some DU (e.g. Spain, Israel) to join the EU Generalized System of Preferences. This would certainly mean the downgrading of the whole system due to the higher competitiveness of the countries at the expense of less developed AD.
- The need to regulate trade between the new members with some MX. A typical example is the UK's relations with Spain and Israel, whose exports were particularly geared towards the UK market.

2.2 The new arrangements of the Global Mediterranean Policy

These reasons have led eventually to the implementation of ERT, which was inaugurated in fact the agreement signed between the Community and Israel in 1973 and came into force in July 1975. In 1976/77, the Community has concluded new agreements of cooperation with the Maghreb countries (Algeria, Morocco and Tunisia) and Mashreq countries (Egypt, Jordan, Lebanon and Syria). In 1977, the EEC signed a financial protocol with Israel in order to supplement the above agreement and to amend the existing agreements with the Mashreq countries. The protocol indicates the Community's effort to provide balanced relations in the region. Additional funding also signed protocols Malta (1976) and Cyprus (1977), but to obtain new agreements with these countries.

All these agreements are distinguished by a spirit of global cooperation among the parties with a practical purpose and a tangible expression of the Community policy on the growth of MNCs and the social and political stability³⁴. The main instruments of that global cooperation are distinguished:

1. In the economic and technical cooperation in order to achieve diversification of the production of MNCs, after earlier industrialization and modernization of agriculture. Furthermore, a series of concrete measures (knowledge, elimination of tariff barriers, ensuring that foreign investment from nationalization, signing contracts to supply the Community with oily products etc.) aimed at achieving this objective.
2. The financial assistance to achieve political stability, economic and social development of the region and reduce the development gap between developed countries and developing north of the Mediterranean basin. Financial assistance as guaranteed by financial protocols, which completed its agreements ERT.
3. In commercial settings, this focused on two major categories of products, industrial and agricultural. Thus, for industrial products, excluding sensitive

³⁴ Commission of European Communities, The European Community and the Mediterranean, Luxembourg 1984, p.17.

(petroleum, glass, textiles, fertilizers, etc.) has been agreed the immediate elimination of tariffs and quantitative restrictions on the Maghreb and Mashreq countries and the gradual until 1985 for Israel. For products rural settings provided special preferential treatment, but by setting annual quantities above which applied normal duties. All arrangements could of course be other favorable arrangements fixed between members of the Community trade. In terms of EU products are recognized in MNC trade status no less favorable than the most favored nation. The resignations of the Community from the matching of trade preferences were evident.

4. On immigration policy settings. These arrangements are mainly immigrants from the Maghreb countries, because the minimum number from the Mashreq countries and aimed at improvement of their social position, ensuring equal treatment of domestic and foreign workers.

2.3 The Euro-Arab Dialogue

In the ERT also includes the Euro-Arab Dialogue (CHR), which is a political instrument developed by the Community or regional level to help resolve the North-South Mediterranean basin. The CHR forms a framework for political negotiations and actions, for which both the Community economic, commercial, financial and technical cooperation, and the SFA in the form of deliberative cooperation. From this perspective, the CHR is an innovative form of diplomacy, in which two teams consisting of a number of countries pursuing a joint cooperation on a structured inter-regional policy. Initiatives to start the dialogue initiated by the side of Arab States with the expectation to ensure the support of the Community Member States in the Arab-Israeli conflict. But the part of several Community countries (particularly Italy and France), an institutionalized dialogue between the two parties seemed a unique opportunity to strengthen the European presence in the Middle East. The Community will also, for a common attitude towards the problem area was expressed as early as May 1971 the SFA. Moreover, the oil crisis was another key factor for realization of the need for cooperation with oil producing countries in the region. France has been present since 1974 in an EPC project CHR. In fact the preliminary negotiations between the EC and the Arab League agreed that the purpose of the dialogue would not be the Arab-Israeli conflict and the nature of European participation would be to

apply the equal treatment of opposing parties. With the start but the talks with the countries of the Arab League, the Community has announced the opening of negotiations with Israel, which a year later led to the signing of trade agreements. This development is interpreted by the Arab states as a decisive 'blow' of national interests. The trust between the two sides had compromised with the opportunity for the Community to counterbalance the U.S. presence in the region. The expectations of both sides of this new political instrument wrecked the initiation of dialogue almost despite the resumption in 1976. The withdrawal, however, Egypt from the Arab League after the peace accords at Camp David in 1979 resulted in the re-watering of the CHR. When 1983 came back again to the fore the importance and impact had now lost. Even the EC countries were no longer prepared to appear for only Arab positions at the Middle East. The latest developments in the Gulf region in the early '80s with the establishment of the Cooperation Council (Gulf Cooperation Council), which was attended by major oil producing countries, the Community offered new and more interesting collaborations.

3. The Renewed Mediterranean Policy 1985-1992

The third enlargement of the Community was to include two new Mediterranean countries, Spain and Portugal, introduced new transformations and new challenges to the EC's external relations with the countries of the Mediterranean basin. Entering the new members actually means an important competitive factor in exporting farm and industrial products of MNCs. The unsatisfactory performance, moreover, the agreements signed between the EC and MNC in the ERT was in itself a valid reason to review the then policy-making. The Community was also forced to protect not only the interests of MNCs, and through them the interests of the Member States. Thus, the Community led to the de facto "New Mediterranean Policy (NMP), which is mainly through reduction of tariffs for agricultural products and application of new third generation of financial protocols aimed at balancing the new situation created by enlargement. Very soon, however, the Community was to establish that the NMP was not sufficient to effectively address the problems of the region. The almost thirty experience gained by the EC in its relations with MNCs was enough now to realize that was not enough merely to implement this tariff policy and the financial support of PCS. In order to achieve economic and social development of those countries should

themselves verify them to manage their economic size and make effective regulations socially acceptable. These findings by the Commission materialized in May 1990 and took the form of a "new Mediterranean policy" (ITQs), which is the cornerstone for the development and implementation, were the following two conditions:

1. Funding programs and bilateral protocols to enhance cooperation between MNCs and the EC, human resources development and environmental protection.
2. Tariff concession on the products of MNCs to improve the trade balance in these countries compared with that of EU countries

The negotiations lasted for ITQs final two years after Greece lifted its general reservation at coreper.

3.1 Determinants for the formation of a new Mediterranean policy.

There were many causes that led to the formulation and adoption by the EC of ITQs, the main of which can be distinguished:

A) The weaknesses of the previous Mediterranean policy. The new Mediterranean policy applied by the EC in the early '80s proved to be ineffective in practice, particularly as related to:

1. Preferential access for agricultural products. Despite the anticipated contrast, the increase in industrial exports far exceeded that of rural products the protective measures imposed by the Community agricultural products, as opposed to the abolition or reduction of tariffs on industrial, was a first cause. Moreover, the surpluses in agricultural products, which had been the Community, the inferior quality of these products from MNCs, non-compliance with Community standards, the lack of alternative markets, etc. were other reasons.
2. The financial system of the Community's economic development and cooperation with MNCs. While the absorbance at financial protocols has been successful, the overall financial cooperation between the Community and MNCs proved incomplete, owing to the scarcity of resources in relation to the

aims pursued. The scarcity of resources led the meager results in terms of economic cooperation, which combined with the disappointing situation contributed to the overall poor condition and need to adopt a new policy.

3. In the ineffective cooperation at institutional level. The agreements concluded between the EC and MNC provided specific statutory monitoring and implementation of various goals. However, these institutions, such as the Association or Cooperation Council, rarely met, despite the fact that in informal meetings functioned dialogue and exchange views on important political issues. The need therefore to improve the institutional cooperation between the EC and MNC proves more than necessary.

B) The deterioration of the economies of MNCs.

During the exercise the Mediterranean policy, the economies of MNCs have deteriorated due to serious structural problems, the most serious of which were:

1. The rapid increase in the population compared to stagnating growth.
2. The slow increase in income.
3. The difficulty in servicing external debt and
4. The high unemployment.

C) The EC remitted to the dangers of political and social developments pcs. Mediterranean as the "soft underbelly of Europe" has always been the theater of important historical, political, social and economic developments that impact directly or indirectly affect Europe. Some such developments during the '80s were next to worry the EC, leading to a search by a renewed policy. Dangerous developments this decade were mainly:

1. The galloping demography. The population growth of MNCs about 5 million people annually, without the parallel existence of economic, political and social infrastructure, signaled the creation of many explosive issues, many of which will overflow to neighboring European countries. The Community therefore had no choice but to implement a new policy that would contribute to substantial economic growth, unemployment and the political stabilization of the region.

2. The increase of migration to the Community. The problem of migration is even today one of the biggest facing the EU countries. The economic depression and political instability of many MNCs lead to the creation of economic and political refugees seeking a better life in neighboring EU countries. The uncontrolled but these waves cause significant cracks in the economic and social fabric of host countries.
3. Environmental degradation. The Community has realized very quickly that the environmental protection in the Mediterranean region should be a priority problem. The nature of the problem but required the cooperation of many diverse countries. This indeed was apparent at the special conference of the CSCE in Majorca, attended for the first time and seven Mediterranean countries.

D) The problem of security and stability. The countries of the Mediterranean basin forming a colorful mosaic, bringing together many diverse cultures and different political systems with different rates of economic growth. All national, racial, religious, nationalistic, etc. Differences have always unquenchable hot spots. Which is dynamite ever peace and create controversy, which is easy to get involved or the EC member countries. Thus, the Arab-Israeli conflict, the Greek-Turkish differences, Cyprus, the Kurdish, the problem of Western Sahara and the dissolution of Yugoslavia, some of the problems challenges for the Community, which will require vigilance and effective new policies.

E) Concerns of MNCs to change orientation and objectives of the EC.

The EC's efforts to complete the single market by the end of 1992, and decisions of the European Council in 1991 to support the transition of Eastern European countries with democratic governments and the establishment of a market economy were two developments alarmed the MNCs. These fears were mainly focused on the possibility of weakening exports to the EU market and the possible reduction of EU funds to MNCs. The Community should therefore respond to the concerns and fears of MNCs through a new Mediterranean policy.

3.2 Guidelines and orientation of the new Mediterranean policy.

The first official thoughts on the strategy a new Mediterranean policy (ITQs) were expressed by the Commission to the Council in November 1989. The directions of the new policy aims include:

- a) The restoration of economic equilibrium of the MNC.
- b) Strengthening of private sector initiatives.
- c) The increase in bilateral and EU funding.
- d) Improving access of Mediterranean products in EU market
- e) The establishment of economic and political dialogue between the EC and MNC.

After many discussions and negotiations between different Community institutions and MNCs, the Commission proposed in June 1990 the Council of Ministers concrete proposals for the period 1992-1996, as a general framework for Community action in the Mediterranean, a data ITQs, a set of operating principles and financial and administrative resources. Awareness the need on the part of the Community to establish a quantitative and qualitative leap in its relationship with the MNC is evident in view of the political, economic and social interests at stake in the region. In the context of Community action in the area, the Commission stressed the correlation that must exist with efforts to make the PCS for political, economic and social development. Furthermore, despite the extensive cooperation between the two parties, a proposal aimed at increasing opportunities for dialogue at all levels with individual countries or groups of states or with all the MNCs. Specifically, in the case of trade cooperation, the Commission envisaged two main differences. As related to industrial products, especially textiles should be placed under a progressive system of free access and with the negotiations of the Uruguay Round on agricultural products and the Commission proposed full exemption preferential treatment for products of additional Protocols of 1987-88 at the latest by January 1, 1996³⁵. A major innovation of the Commission was also a proposal for renewal beyond October 31, 1991 the third generation of financial protocols concluded with the Maghreb and Mashreq countries and the maintenance of the funds planned for each country.

These proposals ultimately were adopted by the General Affairs Council in September

³⁵ EC Regulation No 1764/92 of 29, 06, 1992 (EE L. 181 of 01, 07, 1992).

1990 and it was decided to continue intensive efforts to develop trade between the EC and MNC with fourth generation of financial protocols that should govern the horizontal financial cooperation.

4. Financial cooperation.

The financial protocols were the principal means of Mediterranean policy. Because even those of third generation due to expire on October 31, 1991, the Community was on the occasion of ITQs to make the renewal. The Commission even offered a generous increase in the total financing amount of 40% for the period 1992 to 1996. Specifically, the Commission's proposals referred to the following folder:

1. A financial amount of 825 million CU for financial protocols of 8 MNC (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia) and
2. a non-programmed amount of ECU 600 million available to the EC for action to support economic reforms in MNCs.

The total EU funding thus amounted to 1425 million ECU, while it has been agreed and a sum of around 1400 million ECU in loans from the European Investment Bank (EIB). According to the policy and considerations of the new EC financial protocols aim to:

1. The reduction of food dependency,
2. improving the production process, particularly in the industrial sector and
3. environmental protection

These Commission proposals for the fourth generation of financial protocols but not adopted in full by the General Affairs Council meeting in December 1990. The decisions of the Council for eight MNCs eventually confined to ECU 775 million in aid from the EU budget, 300 million ECU to support their economic reforms and

1300 million ECU in loans from the EIB³⁶. For the final allocation of funding, however, the Council took into account the following criteria:

- Maintain as is the funding of third-generation
- take into account the specificities of certain MNCs and
- To calculate separately the case of Lebanon, unable to repay its foreign debt.

With these criteria in February 1991 the Council Ministers decided to strengthen the MNCs with the amounts shown in Table 1. The realization, however, the above decision was not proper, because the implementation of new protocols should first obtain the one hand the adoption of the Regulation by the Council of Ministers and the other part of the approval of protocols signed by the European Parliament. As related to the first case arose serious objections from Greece, which expressed its concerns that were likely to be included later in the case of the Fourth Financial Protocol and Turkey. The European Parliament rejected the part of the protocols related to Morocco and Syria, because of unsatisfactory developments of human rights in these countries.

4.1 The «horizontal» financing

In the early 90s he had become aware within the EC, the reciprocity of interests with those of MNCs. The experience of almost thirty with them led to a finding that was not enough now a mere financial assistance for economic and social development in the region. He needed a deeper collaboration and broader financing, which should be designed according to specific five-year plans and action plans of common interest to both parties. With these considerations the Commission concluded that the new 'horizontal' financing needed to build and follow five pillars:

1. Supporting regional cooperation among MNCs.

³⁶ European report, No. 1640, 22.12.1990

Under this pillar should be achieved by the establishment, preparation and follow-efficient projects of regional interest, such as transport, energy, communications, etc. Ensure also the technical assistance projects of regional interest, such as educational institutions and other institutional bodies form as well as interest subsidies on loans from the European Investment Bank (EIB) concerning actions to protect the environment.

2. Development of private enterprise

One of the major problems faced by MNCs is the problem of unemployment. To combat this problem, of course, many actions are required and especially many incentives for productive investment, which in turn require political stability, open markets, clear and conducive legal framework, etc. To this end, the Community decided to grant these funds, while supporting all efforts to establish joint ventures among the MNC, and between EC and MNC.

3. Environmental Protection

Addressing the large and persistent problem of environmental protection had become clear early on that require multilateral cooperation between EC and all the Mediterranean countries. The intensification of such cooperation had already been at the Ministerial Conference in Nicosia in April 1990, which led to the signing of the "Charter for the Euro-Mediterranean cooperation. The amounts earmarked for addressing the problem of the environment was even available to the MNCs will come from the EU budget and the EIB, in addition to the fixed amounts set in the financial protocols.

4. Development of human resources.

This axis reflects the great importance it attached to the Community in the development of human resources. According to the Commission's concern, the whole problem is not limited only to vocational training and the dissemination of the experiences of other countries had already achieved economic and social reform.

5. The EIB's role.

The Commission's opinion regarding the role of MIP in the "horizontal" financing of MNCs had to be a crucial and substantial and extend beyond the individual protocols for each country. The Bank should help brave and separate funds for activities involving the environment, energy, transport and telecommunications.

For the implementation of "horizontal" financing of MNCs should have been overcome several problems, which were the responsibility of the group "Mediterranean" and the Committee of Permanent Representatives. The eligibility of Turkey, for example, remains a constraint on the strong opposition raised by Greece to any funding. Finally it was decided to include the conclusions of the Council of Ministers, a statement by a Commission representative that the "horizontal" funding would cover only programs of regional interest and overall structural changes will only cover the Maghreb and Mashreq. As concerned the general operations of the "horizontal" financing, the group "Mediterranean" with limited only to those who had regional importance and particularly those involving the environment. Thus, excluded both the proposal for the development of human resources as well as for cooperation in scientific, advisory and cultural level. Important, however, was that decisions related to business development. To develop the production base of MNCs and to promote investment, the Commission made specific plans, such as the «EC International Investment Partners» (ECIP), while the EIB, based on the precedent of Lome IV, requested the use of funds not only for local businessmen and candidates for European investors. At the meeting of the Council of Ministers in December 1990 accepted the proposals of the Committee of Permanent Representatives and it was decided the amount of funding. So for the period 1992-1996 agreed to spend 230 million ECU from the general budget, of which 25 were venture capital, and 1800 million ECU from EIB loans outside the financial protocols. The final amounts approved by the Council of Ministers, compared to those proposed by the Commission was clearly lower. The final value of two financial instruments provided by the Community for the implementation of ITQs, namely the financial protocols and "horizontal" activities took place against the horizontal. This reduced the importance of this new instrument of policy. The reduction of the importance of horizontal action has changed significantly when the Commission "Mediterranean" has approved funding and activities related to investment and indeed the actions of the productive sector, which united natural or legal persons of an EU Member State and a

PCS. In addition, and following the intervention of the European Parliament in July 1991 for approval

Of ITQs, it was decided that the “horizontal funding” should include actions to address the demographic problem and actions for the development of cultural, scientific and human relations. These proposals were eventually adopted by the Council of Ministers in March 1992⁵⁸ and the European Council in Lisbon on 26-27.6.1992³⁷.

5. Conclusions of the Euro contract period 1961-1994

The contractual relationships, which gradually developed by the Community in early 1960, were initially restricted to trade with the main feature free access for industrial products and special treatment for certain agricultural. These agreements have expanded over the next decade in order to achieve economic and financial cooperation, aiming at economic and social development of northern and southern areas of the Mediterranean area. This picture changed with the enlargement of the Community following the accession of the three Mediterranean countries (Greece 1981, Spain and Portugal 1986). Relations between the Euromediterranean countries have now:

1. Association Agreements (Cyprus, Malta and Turkey) which will lead to a customs union.
2. Unilateral trade concessions to the Maghreb and the Mashreq and
3. Free trade (since 1989) in the industrial sector in Israel on a reciprocal basis.

The agricultural sector in Mediterranean countries faces particular problems, while the accession of Spain and Portugal the situation is complicated even further. To deal with the hard competition, the Community rural concludes additional protocols with the MNCs. Thus, the main characteristic of Mediterranean policy is the trade concessions and financial cooperation. In the late 80s changed dramatically over the hitherto existing international data on the historic transformations underway in Eastern Europe. The Community is now aware of the "common destiny" and the

³⁷ Lisbon European Council, 26-27,06,1992, Presidency Conclusions

common problems with the Mediterranean countries and proposed in 1990³⁸ to steer NMP. With the new policy, which aims to support economic and structural reforms of TMC, the Euro-Mediterranean relations now become more dynamic and decentralized cooperation with the foundations of a genuine partnership³⁹. Thereby ensuring the conditions for greater economic interaction between the EC and MNCs, so they can begin negotiations for future agreements in particular with Morocco, Tunisia and Israel. The new relationship will be based more on political dialogue, free trade in industrial level and the economic, social, cultural and financial cooperation. Also important initiative developed by the Community side for peace in the Middle East and supporting the autonomy of the Palestinians in order thereby to make it easier integration of regional cooperation⁴⁰.

5.1 Partial evaluation of commercial and financial cooperation

The free access for industrial products of MNCs in the EU market has had a positive impact on their economies. Thus, the total manufactured exports which of the MNCs to the EC rose during the period 1979-1993 from 28% to 54%. This average certainly does not correspond to each one separately from the MNCs. Countries that have implemented a relatively successful economic and political reforms failed to raise this figure considerably higher. The corresponding figure for Morocco and Tunisia, for example, rose from 24% to 66% and 40% 77% 63. Improvement was also presented in terms of export of agricultural products to EU market. The gradual elimination of customs duties and preferential duties benefited those products, but to reduce the dependence on key food security which of EU exports.

The size of EU aid to the MNCs accounted for 0.1% of GDP in terms of budgetary funds and 0.3% in terms of the EIB loans. These figures were certainly important assistance to the various sectoral needs (e.g. vocational training, rural development), but not seen very positive impact at the macroeconomic level. Also negative factors in this direction were the political peculiarities of various MNCs and the cumbersome bureaucratic mechanisms. The Community financial contribution, except in the case of conventional programs, integration of various economic reforms of the MNCs was

³⁸ Commission document "Towards a new Mediterranean policy" SEC (89) 1691 final, 23,11,1989,

³⁹ Regarding the agreements of the Maghreb countries, see. SEC (92) 40 final, 30,04,1992 and Tin Mashreq countries COM (93) 375 final, 01,09,1993.

⁴⁰ COM (93) 458 final, 29,09,1993

also important. Again, however, the results were not expected because the excessive debt many MNCs prevented the full use of EU aid. However, countries have made genuine efforts, such as Morocco, Tunisia, Jordan and Turkey, made significant progress in terms of their economic reforms. The problem, of course, the full liberalization of MNCs is still great. An important innovation of ITQs has also decentralized cooperation programs involving key areas of public life. The precarious political situation, however, and the insufficient amount of funds to achieve these targets immobilized on regional cooperation in an embryonic level. In general, the Community contribution to the MNCs in the whole period (1960-1994) Euro-Mediterranean cooperation is important. But comparison with the scale of economic, political and strategic importance of the Mediterranean area and the challenges of the region to report on the Community appears modest. The need to adopt a new policy that will effectively address jointly the problems of the Mediterranean basin, pressing forward.

B. HISTORICAL AND POLITICAL FACTORS CHARGEABLE THE NEW EURO-MEDITERRANEAN PARTNERSHIP

1. Origins and rationale.

The results of the Global and the new Mediterranean policy of the Community to pursue a comprehensive policy of such strategic importance of the Mediterranean area characterized in the late 80s, as shown by the above analysis, from poor to weak. The Mediterranean area continued to show highly diverse conflicts and chronic problems found mainly in the inequality of the three known as the «D» (Development, Demography, and Democracy). These problems continued to grow rapidly, having dimensions of challenges and threats fell, owing to the European Community. Any effort made to economic development in the region, inevitably give rise to two other negative factors. The existence, for example, the democratic deficit in many MNCs

typically brings strong state intervention, resulting in the elimination of any advantage market economy and modernization. Moreover, the demographic growth of the active population has increased unemployment and social problems. Under the conditions of this vicious cycle of underdevelopment, the use of phenomena of religious fanaticism, crime, violence and migration, as in almost all countries, appeared in the case of MNCs as the only way out. The multi-faceted, therefore, economic, social, political and military conflict relations in the region make an immediate need to respond effectively to the Community in order to avert that danger for European interests, a statement of the Mediterranean area. The deleted in the Community "threat from the South" has become a major problem particularly for Spanish, Italian and French foreign policy in the early 90s. In the broader concerns of these countries to the problematic situation in the Mediterranean area and the added concern of MNCs from the intense interest of the Community to the countries of Central and Eastern Europe (CEE) at the historical developments of 1989. His special interest of the Community to the east, mainly from German initiatives, interpreted then that would work against the Mediterranean policy and the role of Germany within the Community. For these reasons, the policy of the three aforementioned Member States of the Community since 1989 aimed at achieving a dual objective: firstly, to change the Community as a whole in the main representative of the effort to develop the Mediterranean area and secondly through Mediterranean policy to bring about a workable balance toward increased permanent "weight" of Germany. To achieve this goal, these three countries have developed a series of initiatives such as the Conference on Security and Cooperation in the Mediterranean (duties), the "5 + 5 Initiative" for the western Mediterranean, the Mediterranean Forum, etc. there are originally outside the frameworks. The importance of these initiatives is important, because they are actually seeking the formula that will lead to the "birth" of the Euro-Mediterranean Partnership.

1.1 The Conference on Security and Cooperation in the Mediterranean.

The reasons given above, but also awareness of the lack of a mechanism for ensuring political stability in the Mediterranean region in 1990 led to the Spanish-Italian approach to implementing a Conference on Security and Cooperation in the Mediterranean (duties). The basic philosophy of this concept was to create a

comprehensive European policy to promote stability, security and crisis management in the Mediterranean space.

The arguments of the Italian-Spanish initiative based on the special historical links between Europe and the Mediterranean, the interdependence between security issues and the urgent need to create a mechanism to prevent crises, whose absence was felt in many ways after the experience of the Gulf crisis. The ending, however, the initiative was to establish DUTY stillborn after the harsh criticism it has suffered since the very beginning, because of practical and policy weaknesses. The prospect of discussing issues on security and human rights, for example, was treated with great caution by the side of several MNCs. In parallel, solving problems of a large geographical area that included the Mediterranean, the Middle East and the Persian Gulf, was considered unrealistic, and lacking the appropriate political mechanisms and institutions needed to address such a nature and extent of problems in all this negative sentiment was to add the reservations of the United States, which reacted negatively to the prospect of a peace process in the Middle East the main subject of its duty. Such an eventuality would mean the substitution of the presence and reduction of U.S. leadership in the region. The culmination of efforts that its duty was not possible to be satisfactory after the existence of these causes. The importance, however, the initiative is important because it contributed to an awareness of the need to create an effective partnership between the EU and MNCs.

1.2 The Initiative 5 + 5.

The disappointing results of its duty, interpreted by the French side, which he had collaborated in the Italian-Spanish initiative, overcoming its initial reservations, as a unique opportunity to develop its own initiative in the Mediterranean. The new initiative was limited to smaller geographic area and concerned Member States of the Arab Maghreb Union (Mauritania, Morocco, Libya, Tunisia and Algeria), Spain, France, Portugal and Italy, and was added in 1991 and Malta. The objectives of this initiative were, as in the case of duty, security, economic cooperation and human rights, and as new areas of cooperation were added issues related to environmental protection. The disappointing results of its duty, interpreted by the French side, which he had collaborated in the Italian-Spanish initiative, overcoming its initial reservations,

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1.3 The Mediterranean Forum.

Various multilateral efforts DEVELOPED to create a regional system of cooperation and security in the Mediterranean region cannot deliver the expected results, however, were an important impetus in forming a new Euro-Mediterranean partnership. Some even of these initiatives are now more important factors in relations between the two parties. If this is the Mediterranean Forum which was established by the Franco-Egyptian initiative in July 1994 and aims to promote issues of common interest of coastal Mediterranean states. Members of the Forum's 'unofficial' ones, are Algeria, Egypt, France, Italy, Malta, Portugal, Spain, Tunisia, Turkey, Greece and Morocco, and cooperate on policy, economics and culture. The first Forum meeting in Alexandria in 1994 and the last in 1995 in Mallorca, where his role was that of a virtual think tank of the planned Euro-Mediterranean partnership, which of course meant to start reducing its importance.

2. Processes in the EU by the Barcelona Conference.

By the late '80s and early '90s is ripe within the EC, the idea of the need to create a new Euro-Mediterranean partnership. The historical changes, moreover, achieved in 1989-91 in Europe after the collapse of the bipolar system, and convince the last skeptics about the necessity. Under the pressure of these developments and the destabilizing forces deployed in the Mediterranean, the EC had no choice but to

provide solutions to chronic problems of the region. Almost immediately after the adoption of ITQs in April 1992, the Commission has changed its policy of "neighborhood" and refers to the policy of "partnership." However, the first formal proposal for the revision of previously Community's Mediterranean policy and the need for a new partnership with MNCs, particularly in the Maghreb countries are at the Lisbon Summit in June 1992. I timing, a few months after Maastricht is the most appropriate for such decisions. The joint actions agreed within the CFSP and after Spanish and Italian pressure, the Mediterranean area is defined as the application priority. Furthermore, liberalization of the international financial system, in international relations, the search expanded EU external actions and recognize the centripetal role in the economic level at least, increase more and more the strategic importance of the Mediterranean and dictate a more careful treatment problems and where a developing momentum.

The Lisbon conference ended without any specific decision making on the partnership. The importance, however, is important because in the Mediterranean following the case will be a major concern of the EU agenda. Despite awareness of the need to establish a partnership in the Mediterranean, it took two years to implement the decision of a serious study of the problem. On the positive side, however acquis of EC cooperation with MNCs lead precisely to the upgrading of relations between the two parties, namely "15" of the EU and '12' Mediterranean partners.

The European Council in Corfu in June 1994 decided to «instruct the Council to assess jointly with the Commission's overall policy of the European Union in the Mediterranean region and possible initiatives for the short and medium term strengthening of this policy, having in mind the possibility of convening the Conference of the European Union and its Mediterranean partners». The Commission has indeed a valuable study and wrote a comprehensive proposal to address the challenges of the Mediterranean basin, which he announced to the Council and Parliament on 25.01.1994⁴¹. The communication, entitled "Strengthening the Mediterranean Policy of the European Union: a partnership between Europe and the Mediterranean, provided on two levels:

⁴¹ The full text of the notice to COM (94) 427 final

1. At the political level, under the title "Towards a Euro-Mediterranean political stability and security", which proposed the strengthening of political dialogue, the activation of the CFSP and to establish a "code of conduct " between the Mediterranean countries to settle disputes
2. On the economic level and under the general title "Towards a Euro-Mediterranean economic area", where activities are planned in the areas of trade, economic cooperation and human relations.

The intentions of the EU's implementation of the partnership was finally upheld by the European Council in Essen in December 1994⁴², after persistent efforts on the part of Spain, which also announced that programmed the priority to convene a special conference with the participation of all stakeholders Mediterranean Member during the period of its presidency.

So the Barcelona conference occurred tough negotiations among EU members about the level of funding of the Mediterranean partners. The necessary consensus was finally reached at the Cannes European Council⁴³, which agreed, for the period 1996-1999, is allocated an amount of 6.7 billion ECU for the CEE countries and 4.685 billion ECU in the form of available Community budget funds for Euromed partners.

3. The Euro-Mediterranean Partnership. Character and organizational structure.

The EU proposals for its Mediterranean partners to adopt a framework for cooperation in the text «Position of the European Union», as adopted by the Council of Cannes. The aim of these proposals is to establish a comprehensive partnership based on strengthening democracy and human rights and seeks to ensure peace and stability in the region through political dialogue and the stable and balanced economic and social development. The Barcelona Conference in November 1995 as the ultimate point of lengthy consultations is the landmark of the new Euro-Mediterranean cooperation marks a new era of relations between the EU and its Mediterranean partners. This

⁴² European Council in Essen 9-10,12,1994. Presidency Conclusions, p. 15

⁴³ Cannes European Council of 26-27,06,1995. Presidency Conclusions, Part B, p.15.

conference is not an ad hoc initiative, but an open and evolving process in which asked for the first time "15 + 12" Euro-Mediterranean countries to jointly implement a long-term plan. Thereby expanding the bilateral traditional Mediterranean relations and the most part in a multilateral framework of an interregional cooperation. The organizational structure differs from a Euro-Mediterranean Partnership:

1. The regular meetings of Foreign Ministers with the primary purpose for monitoring and development of the principles of Barcelona and the determination of necessary measures and actions to achieve the objectives of the partnership.
2. Ad hoc meetings of ministers to monitor various measures of competence.
3. The "Euro-Mediterranean Committee for the Barcelona Declaration. " Members of this Committee is the EU Troika and one representative of each Mediterranean partner to prepare the meetings of Foreign Ministers and the general monitoring of agreed.
4. The meetings of senior officials and experts from both parties to exchange information and experiences.
5. The various Commission services for preparing and attending meetings under the "Work Programme" in Barcelona and conclusions of the "Euro-Mediterranean Committee"

The Euro-Mediterranean partnership is distinguished by three key innovations:

1. The common global address all the problems of the Mediterranean,
2. from the allocation of funding (funded more concrete actions in place and not states) and
3. For the first time, official policy of the EU presence in the Mediterranean area⁴⁴.

⁴⁴ S. Dalis, the Greek foreign policy at the dawn of the 21st century, Athens 1997, p. 202

Similarly, the new version of the Community's Mediterranean policy differs a dual function: The service on the one of EU interest and therefore the Member States and secondly, the "part of the lateral aspect of the process of consolidation in the sense of relevance and registered identifications of the EU system (CFSP) of the partnership in the political and security sector and justice .. These innovations and special features of the Euro-Mediterranean partnership beyond the limits of a single policy, which takes longer to form a quasi "common organizational unit with third countries" and prescribed an international sub-system. The partnership is structured around three pillars:

1. Political and Security
2. Economic development and financial assistance,
3. Social, cultural and human issues

The ultimate goal of all three axes is the democratization and stability in the region.

3. 1 Political Cooperation and Security issues.

The aim of the first pillar of the partnership is to establish a common area of peace and stability in the Mediterranean. According to the European document, both parties are bound by the "declaration of principles" to respect the rules of conduct within each state or political entity as well as internationally recognized standards of conduct of States in relations with other states. In a first class commitment encountered early on Human Rights, Democracy and Rule of Law. Basic commitments of each partner is respect fundamental texts, such as the UN Charter, the Universal Declaration of Human Rights, international law and obligations arising from regional and international instruments. Another series of obligations in promoting the rule of law and fundamental freedoms of the individual. Respect for diversity and tolerance (Tolerance) in society, the egalite souveraine, non-interference in internal affairs, the inviolability of borders and protect the unity and territorial integrity, peaceful settlement of disputes, the fight of terrorism, etc. are principles of Mediterranean cooperation. Equally important is the commitment of both parties to work together to

combat terrorism, organized crime and drugs as well "... for non-proliferation of nuclear, chemical and biological weapons through compliance and adherence to a number of international and regional non-proliferation regimes and agreements on arms control and disarmament, such as the Treaty on the Non-Proliferation of Nuclear Weapons (NPT); the Convention on Chemical Weapons Convention (CWC), the Convention on Biological Weapons (BWC). All these principles and commitments are not enough of course for security in the region. Because detection and prediction, the EU added the Barcelona Declaration the commitment of partners to develop good neighborly relations and confidence-building measures, referring to the signing of a long Euro-Mediterranean Stability and Security. The proposal to create a sub-regional system of collective security, which in reality is a continuation of the efforts of customs duties and other similar efforts by the EU, should have been the work of the follow up conference⁴⁵.

3.2 Cooperation in social, cultural and human level

The important feature of this area is that there are activities and programs not only based on dialogue between governments, but «the partners will encourage the participation of civil society in partnership. With this in mind will develop in decentralized cooperation to encourage exchanges between the actors of development....»⁴⁶ It highlights the importance of developing human resources through education, exchange, language learning and understanding of cultural elements among the partners. Similar attention is given to health problems, especially the young as well as problems resulting from overpopulation, immigration, smuggling and drugs, international crime and terrorism.

Important means to accomplish these objectives are the Euro-Mediterranean cooperation networks or programs MED, as applied since 1992 and are aimed at promoting civil society. These projects also provided significant funding for collaboration between agencies and companies of MNCs and the countries of the EU Highlights of these programs are:

⁴⁵ Mediterranean Conference in Malta (15-16,04,1997) and an informal conference in Palermo (June 1998).

⁴⁶ Declaration and Programme of Barcelona 27-28,11,1998 Annex VI.

- MED-CAMPUS, which promotes collaboration between universities and other educational institutions and promote economic and social development of PCS.
- MED-MEDIA, funded projects (seminars, exchanges, co-productions, etc.) for cooperation between professionals of the media.
- MED-URS, to promote cooperation between local authorities and the betterment of living conditions in urban areas.
- MED-INVEST, for the development of SMEs.
- MED-MIGRATION, which aims to integrate immigrants into the social structures of their new homeland, strengthening cooperation between local communities and organizations dealing with the problem of immigration. The program was eventually incorporated in the project MED-URS.

All MED programs are based on two principles: In the first, the Commission may seek and find the organization of cooperation without having to consult as to national governments. The second, a MED program must create a network involving partners from at least three countries and regions represented in both parties, namely the EU and MNCs (horizontal cooperation). As part of the MED has also developed a religious dialogue and cultures, past and developed and the program MEDA-DEMOCRACY. The governments of MNCs seemed all very sensitive to the MED programs and goals of democratization. The opportunity to participate in these programs of civil society and NGOs is that modernity is not fully understood and accepted by the governments of many MNCs. This explains the reaction to be added to the Barcelona Declaration that the proposed cooperation in such programs should be "under the laws' of individual MNCs.

C. THE MODERN OPERATING UNDER THE EURO-MEDITERRANEAN PARTNERSHIP.

1. Processes in the European Union

The idea of a Euro-Mediterranean Partnership matures gradually in recent years under the pressure of events 1989 - 91 and the changes that occurred in Europe and the Mediterranean after the collapse of the Soviet giant and bipolar balance.

Under pressure of these events and in the light of the destabilizing forces deployed in the Mediterranean, Europe will have to provide solutions to a range of new problems. Immediately after the adoption of the new Mediterranean policy in June 1992, the same month in the Lisbon Summit is the first hint of the need for revision of the Mediterranean Policy of the European Union. Since it had become evident the need for a more integrated approach to the problems of the Mediterranean. In the first months after the Maastricht much is made immediately after the signing of the Treaty on Joint Measures under the Common Foreign and Security Policy (CFSP) and the Mediterranean could only be one of the priorities.

The immense strategic importance of the Mediterranean, the dominant role in Europe's energy security, economic interests of member countries are among the reasons for a more careful and thorough study of problems and the momentum is growing. Yet it took two years to mature decision serious study of the problem in the Mediterranean was taken eventually to the top of Corfu in June 1994. During the two years of the Yugoslav had absorbed all the attention of the Twelve and the difficulties for an effective coordinated policy in Yugoslavia has not contributed negatively to the idea of a Mediterranean Policy. Unlike the problems of Central and Eastern Europe helped by reflecting the adoption of a Mediterranean Policy. Enlargement to 15 and the parallel decision of financial aid in the countries of Central and Eastern Europe (CEE) for the preparation of future membership in the Union too shifted the focus to the north

left completely uncovered and the southern edge of Union equally challenging problems. Under these circumstances, the pressure of the Mediterranean countries of the Union could only find a response and lead to the adoption of a Mediterranean policy as balancing policy CEE countries. The main reason, however, the decision to review the whole range of Mediterranean Policy was the daily increasing danger of destabilization of the Mediterranean area by the new forces of radical Islam that had been developed in recent years in the region. The first impetus given by the European Council of Corfu (June 1994) with the decision "to instruct the Council to assess jointly with the Commission's overall policy of the European Union in the region Mediterranean region and possible initiatives for the short and medium term

strengthening of this policy having regard to the possibility of convening the Conference of the European Union and its Mediterranean partners.

The phrase was included in the conclusions of the European Council following the persistent efforts of the Greek Presidency and accepted by their partners because they seemed vague and not very binding. Given the momentum that had developed on her pre-preparing the accession of CEE countries with severe economic aid, this vague commitment by the European Council to review the Mediterranean Policy was the least she could succeed south of the Mediterranean Union.

The successful handling of the Greek Presidency was complemented by the reaffirmation by the European Council of prospective accession of Cyprus and Malta, which was also the main motive of the Greek Presidency to promote the Mediterranean Union initiative. Of course our partners made sure that this decision be balanced by the parallel decision of the European Council to complete the Customs Union with Turkey. The reluctance of the Council did not prevent the Commission to go after the mandate issued by the Council in a comprehensive study of the relations between the Union and its Mediterranean partners. Without knowledge of the space available to the Commission by the bilateral agreements and negotiations with the MNC was able very soon to give an overview of problems and risks and to compose a strategy for overcoming them. The Commission Communication to the Council and the European Parliament, underlining the challenges of the Mediterranean area and the priorities of the Union in this area makes up a comprehensive proposal to address these challenges. The text of this initial communication from the European Commission is a remarkable study of the problems of the Mediterranean area and contains a wealth of ideas and data on the economies of the region. The treatment also the positions of the Union Council of Ministers was based on this text. The Commission in its Communication proposes a framework for cooperation with Mediterranean countries in all areas he calls Euro-Mediterranean Partnership. This link to the Mediterranean countries with which the European Community in the past and the European Union today signed association or cooperation agreements. These countries are Algeria, Tunisia, Morocco, Libya and Malta in the western Mediterranean, Egypt, Syria, Israel, Jordan, Turkey and Cyprus in the Eastern Basin. Clarified in the proposal that the latter two will participate as candidates for EU membership and not as a future Mediterranean Partners from the time meanwhile have become countries - members of the Union. Remarkable also is the fact that it

was invited to involve Libya while there has recently been added to Palestine. The Euro-Mediterranean partnership is not subject to the relations with the new countries that emerged from the breakup of Yugoslavia (Croatia, Slovenia, New Yugoslavia), despite the fact that they are in the Mediterranean for two reasons: First, because the relations with these countries are treated in Policy Eastern countries, and secondly because the time is not appropriate if the war continues for a peaceful dialogue. In the Commission for action at two levels:

First, at the political level under the title "Towards a Euro-Mediterranean zone of political stability and security" is proposed to strengthen political dialogue and the activation of the CFSP things in the Mediterranean, aimed at jointly with the Mediterranean Partners Addressing security issues and establishing a "code behavior.

Second, in the economic sector under the general title "Towards a Euro-Mediterranean Economic Area" proposed actions in three areas:

1. The trade sector is proposed to create a broad free trade area between Europe and Mediterranean countries will be completed around 2010.
2. In the field of economic cooperation actions are proposed to modernize their economies and address the chronic problem of delay. The Union offer of financial assistance is sufficient to act as a driving force in attracting private investment and that of other financial institutions are expected to contribute significantly to addressing the social and economic tensions
3. Finally, the Commission is to promote closer cooperation in the broader field of human relations with the development of exchanges between universities and organizations that will help better understand the social and cultural data between the two shores of the Mediterranean.

The Commission Communication dated October 19, 1994 but was submitted to the Council and Parliament in its letter dated 25.10.1994 of Commissioner Hans Van den Broek. This Communication constitutes the basis of discussions in the General Affairs Council in October 1994 and endorsed the general directions of the Council in November, which adopted the report and the Council to the European Council in Essen. The Greek delegation, which from the beginning was welcomed as a constructive proposals of the Commission actively contributed towards the adoption

by the Council. The Report of the Council of Ministers adopted the European Council in Essen 6 (9 - 10 December 1994) is an important text because it summarizes the broad outlines of the new Mediterranean policy of the Union and gave the green light for the convening of a Euro-Mediterranean Conference in the second half of Spanish Presidency in 1995. The Report of the Council in October 1994 and the Presidency Conclusions of the Essen in December of that year are of particular importance for Greece, not only because efforts to adopt an integrated Mediterranean Policy ascribed finally off but because the texts officially confirmed that the next stage of enlargement of the Union will involve Cyprus and Malta. The German Presidency of the second half of 1994 mainly concerned the promotion of pre-accession CEE countries and the adoption of the EU enlargement policy of the Union to the East contributed positively in principle the adoption of a new Mediterranean policy in order to obtain the consent of the Mediterranean partners of the Union policy of enlargement eastwards. However, when the Council in the first half of 1995 began to discuss the details of the new Mediterranean partnership reluctance surfaced. The Nordic countries including Germany have expressed serious objections which focused mainly on the amount of funding to support the new policy. While the process of Commission proposals by Council bodies had expired in April 1995, the final document entitled "Conference of the European Union - Mediterranean countries in Barcelona - Position of the European Union" adopted by the Council in June, and again left open the amount of financial assistance will offered the Mediterranean partners. This issue is finally settled at the Cannes European Council, which decided to allocate the sum of 4.685 billion ECU for the next 4 years 1996 1999 to finance the measures proposed in the "position of the European Union for the Mediterranean relationship.

2. The content of the Euro-Mediterranean Partnership.

The proposals of the European Union for the Mediterranean partners to jointly adopt a framework for cooperation in the text "Position of the European Union" as adopted at the summit in Cannes, which constitute what we call Euro-Mediterranean partnership. The aim of these proposals is to establish a comprehensive partnership based on strengthening democracy and respect for human rights and aimed at securing stability and peace in the Mediterranean through the "political dialogue stable and balanced

economic and social development and greater understanding between cultures. The Euro-Mediterranean partnership is structured around three main themes: Policy and Safety - Economic growth and financial assistance and social and human dimension.

3. Political Cooperation and Security Issues.

The first class commitment is a set of principles on Human Rights Democracy and the rule of law. Each member undertakes to respect the basic requirements of conduct texts such as the Charter of the United Nations, the Universal Declaration of Human Rights, etc. Another series of commitments to promote the Rule of Law and Fundamental freedoms. Another set of obligations for the consolidation of pluralism and tolerance (Tolerance) and finally one basic obligation of the parties is respect for Human Rights. A second category is those commitments relating to interstate relations to stability and security. The first obligation of members is to respect each other "sovereign equality"(egalite souveraine) and all related to sovereignty rights under international law. Here are the commitments of non-interference in internal affairs of members and respect for territorial integrity. One important provision is non-recourse to violence and the peaceful settlement of disputes. Equally important are the obligations relating to combating terrorism, organized crime and drugs as well as good faith fulfillment of obligations concerning disarmament and non-proliferation. As a corollary of the above provisions is the obligation of partners to develop good neighborly relations and to take confidence-building measures and security to the signing of a Stability Pact.

3.1. Economic and financial sector.

In this area the objective is to create over time a single economic space through the liberalization of trade and promotion of socio-economic development activities in the Mediterranean partners. In this area the objective is to create over time a single economic space through the liberalization of trade and promotion of socio-economic development activities in the Mediterranean partners.

a. Free Trade Zone

Main objective is the gradual implementation of a Euro-Mediterranean free trade area will be completed in 2010 and covers the "principal transactions in accordance with

the features it offers and its obligations under the World Trade Organization (WTO). To achieve this goal the abolishment of tariff barriers on industrial goods, the gradual liberalization of trade in agricultural products, liberalization of capital account along with the freedom of establishment for companies. It should be noted here that the four freedoms laid down in an Economic Union (free movement of goods, services, capital and persons), only three are expected to materialize until 2010 in the Euro-Mediterranean free trade area. The free movement of workers could be made given the huge population pressure in the Mediterranean and the alarming rates of unemployment in the European area. And other problems .But as security, cultural adaptation and those referred to the needs of Mediterranean countries suitable for economic development people, advocate the exclusion of the sector.

b. Economic Cooperation.

Strengthening cooperation in key sectors of the economy is a second series of actions aimed at modernizing the economies of the Mediterranean Partners and economic development.

Encourage domestic savings into productive investment and aid with foreign investment, developing the concept of joint ventures and strengthening of regional cooperation actors of economic development and modernization that should be strengthened by appropriate action and funding programs by the European Union.

c. Cooperation in other areas

To promote such cooperation for projects and programs funded by the European Union in key areas for development such as energy, agriculture, fisheries and environment.

Particular effort will be made for developing transport infrastructure and information technology research.

d. Financial instruments

The European Union is prepared to implement these programs with all Mediterranean partners to contribute with a considerable financial effort.

The European Commission based on experience from the operation of financial protocols with the Mediterranean partners and the needs of these countries in relation to the possibility of financing the Union propose initially finance the entire effort with an amount of about 5.6 billion ECU for the next 4 years from 1996 to 1999. Then the Commission for financial reasons, said reduced this sum to 5.1. Finally, the Cannes European Council approved an amount of 4.685 billion ECU from the Community budget to fundament actions under the Euro-Mediterranean partnership in the next four years from 1996 to 1999. A similar amount is expected to be provided by the EIB loans for the same goals. Certainly hoped that this figure will serve as a driving force in attracting funding from other financial institutions and private investment. The amount is substantial and is likely to trigger a process of economic recovery.

4. Social and human dimension

The third axis is provided for activities and programs that "encourage the participation of civil society in the Euro-Mediterranean Partnership".

The activities provided for education and training, exchanges on issues of culture, Media, Health and Youth. As part of this axis are treated the problems of immigration, combating drug trafficking, international crime and terrorism. To achieve these goals should increase cooperation in judicial matters, while the need to combat xenophobia and racism.

5. Positive views and concerns of the Mediterranean partners

The French presidency took the baton from the Germans in the first half of 1995 made a special effort to adopt the common position of 15 as outlined above and to reach some success with the negotiations on the amount of funding. Alongside remarkable is the effort at drawing-to be informed of the Mediterranean partners the intentions of the Union and sounded their intentions on the proposed upgrading of relations, and the convening of the Conference of Barcelona and to study the reaction in all settings including the Euro-Mediterranean partnership.

From contacts with the French Presidency of the Mediterranean partners has shown that the reception was enthusiastic from (Cyprus) to cold (Syria) with intermediate grades welcomed. Specifically in the Maghreb countries was a positive response from

Tunisia and Algeria and Morocco would prefer to upgrade their bilateral relations with the EU rather than membership of a wider Euro-Mediterranean respect of which the chances of success seem poor in the eyes of Moroccans.

As far as Libya is not recorded reactions but the response could be positive since it is the only Mediterranean country which was not invited to participate in the Euro-Mediterranean Conference. The reason given by 15 is the embargo in force against that country as a consequence of refusing to hand over those responsible for the air tragedy Lockerby. This attitude of the Union does not find many supporters between the Arab Mediterranean countries, and is indeed questionable political expediency, but does not seem to affect adversely the Barcelona conference.

In the Eastern Basin serious reservations expressed by Syria, followed by Lebanon feared European intervention in the Syrian - Israeli dispute. Once it was provided as assurance that the objective of the Conference is not is to solve the Middle East and there is no intention intervention in delicate negotiations on the status of the Golan plateau eventually Syria and Lebanon came to Barcelona. In Turkey, in principle positive response followed by a series of reservations and indirect refusals. Basic installation of the Turks was that this new holistic approach to the problems of the Mediterranean should not affect the Turkey's special relations with the Union and the West in general (the Association Agreement with a view to integration, participation in the institutions of the WEU - a full member of NATO).

In contrast was the enthusiastic reception of the European initiative by Cyprus and Malta, two countries that are already on the accession process and therefore the Euro-Mediterranean relationship in the future will not affect them as well as Mediterranean Partner Countries States. Finally, the very positive reception of the European initiative in Egypt, Israel and Jordan are very promising in that it created a core of countries in the Eastern Mediterranean is believed to contribute constructively to the achievement of the objectives of the Euro-Mediterranean Partnership. These meant then when soundings were made that the Barcelona Conference in November would be a success for the European Union and without a doubt a significant milestone in relations with the Mediterranean. Good preparation ensures that the 27 countries in 15 European and 12 Mediterranean gathered in Barcelona to sign a Declaration of Principles and an Action Plan may be more or most ambitious said then watched things.

The Spanish Presidency has made a commendable effort in organizing the conference.

Based on the text positions of the European Union and Mediterranean Partners comments by the Spanish Presidency has drafted the final version early Declaration of the Conference so that the deal has essentially finish before starting the conference was more successful than a demographic and television event.

D.EURO-MEDITERRANEAN COOPERATION

1. The Euro-Mediterranean Cooperation

Although the stability and development of economic relations with the southern Mediterranean shore are not new issues in the framework of a united Europe, but the 1990⁴⁷ considerably strengthened. Since November 1995, EU relations with Mediterranean countries in the Functioning the platform for multilateral cooperation, initially weak, but promising institutional character. The new framework of cooperation based on the intimate relationship that they have acquired in the post-Cold War period of political, economic and socio-cultural dimensions of security. The logic of the EU was to "unite" the two shores of the Mediterranean countries through political, economic and social, leading to a climate of stability, suitable for economic development partners and the tight control of migratory flows from the south. For this reason Barcelona process designed along the lines of the Helsinki Process-1975 at the Conference on Security and Cooperation in Europe, three respectively pillars of collaborative action⁴⁸, and the work plan (follow up) secured evolutionary 'action', thus transforming the BP a permanent multi-level regional cooperation mechanism. In the light of international governance model for interdependent pillars (baskets), which recognizes the intertwined relationship between political, economic and security dimensions in conjunction with the work program, are, under certain conditions, successful method of settlement and overcoming potential obstacles to the formation

⁴⁷ Ch Tsardanidis, The "Renewed" Mediterranean policy of the European Community and Greece, Papazisis, Athens, 1992

⁴⁸ The first pillar of security, promoting peace and human rights, strengthening of political dialogue and democracy. The second pillar aims to enhance economic growth and creating a regional free trade area. The third pillar concerns cross-cultural exchanges, education and addressing issues such as Islamic fundamentalism and illegal immigration. The founding declaration was signed by 15 member countries of the EU, Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon, the Palestinian Authority, Israel, Turkey, Malta and Cyprus.

of large-scale international regimes. Beyond the rhetoric and diplomatic statements, and despite the varying degrees of enthusiasm with which the partners have welcomed the new frame collaboration, the founding meeting in Barcelona has launched a new era in regional relations. The signing of the Declaration founding in 1995 by 25 participating countries, renewed interest in the transformation and governance of the Mediterranean, starting from a random system of bilateral agreements (commercial agreements - financial protocols) and reaches up and institutional integration regional government, based on commonly accepted agreements. The BP the qualitative shift in EU external relations in the Mediterranean by a set of uncoordinated actions and policies in a system of collective governance, based on statutory rules and standards of conduct⁴⁹. In this light, can be seen as something more than a mere partnership nation to achieve limited objectives, because it is an emerging regional arrangements, giving rise to features such as the development of general rules of good governance and institutionalize mechanisms for collective action. In this logic, in preparation Euromed scheme may be in the future not just a set of conventions and activities focusing on the convergence of expectations of participants in the allocation of rights and obligations, but rather a regional "social system". In particular, the latter should be characterized by the existence of recognized roles linked by a substantial agreement about the lowest common denominator of value (even when the basic value systems of participants differ), consensus-defined practical prevention and resolution. Conflict and finally a set of implementation mechanisms basic principles of good governance will be able to go beyond the imaginary line that separates the Christian from the Muslim north south. The BP provide the necessary conditions for the emergence of a flexible regional arrangements, with the primary objective of managing the interdependence of both structural and functional between often competing actors, who, however, given the complexity of that of the Mediterranean, shaped the historical intra-regional economic asymmetry and strong cultural heterogeneity have different reasons for inclusion in the regional cooperation framework. The BP reflects, "under" the principles of reciprocity, cultural tolerance, peaceful resolution and "good governance", differentiated from the traditional approach to democratization, as it seeks to practices 'export' of a particular system of organization of the state - in this case, that of liberal democracy-but mutual

⁴⁹ . K. Xenakis, «From Policy to Regime: Trends in Euro-Mediterranean Governance», Cambridge Review of international Affairs, Vol. 13 No.1, 1999, pp. 254-270.

acceptance of a particular set of political principles for the emergence of a symbiotic relationship, which is based on mutual benefits and negotiating arrangements between the parties⁵⁰. Perhaps the word "potential" to be particularly important since the present stage of BPs only marginally characterized by the institutionalization of mechanisms for collective action to transform a set of international norms into binding rules (state) behavior, the evolution of regional economic imbalance lesion in a free trade area with social development, their balanced focus on areas of high and low politics, and perhaps more, the emergence of a "new interpretation" of intercultural dialogue.

2. The Barcelona Process: Phase One: From Valencia Valletta-After Enlargement: From Heraklion to Hague

It is true that after the inaugural conference in Barcelona in 1995, subsequent meetings of the NAs occurred in a completely different climate from that which prevailed in the early 90s in the Middle East and had facilitated the establishment of a "comprehensive approach regional challenges. Ready, the second Euro-Mediterranean Conference in Valletta in 1997 and the Ad hoc Meeting in Palermo in 1998 during the British Presidency of the EU Council reached no consensus on human rights, notably the delay signature of the Euro-Mediterranean Charter. The 3rd Euro-Mediterranean Conference in Stuttgart (1999) was successful and managed to give new impetus to the development BPs Guidelines Euro-Mediterranean Charter and providing for collaborative building measures, good neighborliness and preventive diplomacy, including flexible implementation will create conditions for gradually building a balanced regional system. Such a system would promote mutual trust through a process of transparency and open dialogue, pre-planned and joint crisis management and peaceful settlement of disputes. Stuttgart decided all six areas must be priority (the water policy, environment, industry, energy, transport and information society). Under the Portuguese EU Presidency, the Institute for International and Strategic Studies in Lisbon (IEEI) held in June 2000 a conference to review progress of the five pillars of cooperation BTM. Emphasis was given to bilateral agreements for the completion of EMIES and cooperation against terrorism, racism, immigration and religious fundamentalism. The 4th Euro-Mediterranean Conference in Marseilles

⁵⁰ D. K. Xenakis, «Order and Change in the Euro-Mediterranean System», *Mediterranean Quarterly*, Vol. 11, No. 1, Winter 2000 pp. 75-90

(2000) took place under the shadow of the outbreak of the second Intifada (September), so for the first time in the history of BTM, two Mediterranean partners, Syria and Lebanon, not to participate. Thus, the remaining limited partners to commit to strengthening political dialogue and convergence of perceptions on terrorism and immigration to enable an agreement on transparency measures and confidence, without waiting for the adoption of the Euro-Mediterranean Charter. In the fifth consecutive Euro-Mediterranean Conference in Valencia (2002), during the Spanish Presidency, The developments in the Middle East and the blockade of Arafat in the Palestinian Authority headquarters in BPs negatively impacted. Continued However, abstinence Syria and Lebanon has made possible the adoption of a text, known as "Valencia Action Plan", which contained proposals and measures to strengthen the BTM, both at institutional level and in individual policy areas and collaboration⁵¹. By 2003, the deterioration in Arab-Israeli relations at the beginning of second Intifada 2000, the climate of terror that embedded the September 11, the intervention in Afghanistan and the threat of another war in Iraq were the main obstacles to achieving satisfactory conditions for regional stability and cooperation. The developments that followed the retracted certainties were formed in the region after the war in the Persian period 1990-91, while the emergence of asymmetric threats has the effect attributable to regional cooperation and would include The strengthening of national security policies to the detriment of regional democratization and liberalization, increasing restrictions on movement of persons and goods, particularly the alienation of the Christian and Muslim populations living in Europe and now possessed by feelings of mutual suspicion. Also created serious obstacles to BP not only paying attention to safety issues within the sphere of the supremacy of U.S. and "competitive NATO Mediterranean Initiative, and on the functioning of the multilateral BP. Furthermore, the EU's failure to intervene effectively, but the gap between Member States on their participation or not to «campaign» of the U.S. in Iraq, has negatively affected the dynamics of BP, creating frustration in the Arab world the European partners. It should be noted that the original ambitions of the Europeans to integrate its Mediterranean partners through economic and cultural cohesion. Their power (soft power), confronted with "hard power" of the U.S., which promote the reform of the "Broader Middle East" (Greater

⁵¹ In Valencia also adopted a 'Framework Document' for regional cooperation on justice and home affairs and an "Action Plan" for intercultural dialogue

Middle East Initiative). It is important to emphasize the difficulty in handling security issues in the Mediterranean by the Europeans, who must predict the risks, but to engage in active politics, as this would cause concern in the Arab community. At the same time, accused of inaction can play an important role in smoothing problems, leading to increased competition for equipment. In fact, Europeans are disadvantaged to play a significant role in managing security in the region due to the presence of U.S. and their refusal to share the initiatives that have developed, particularly in the eastern Mediterranean, where the level of U.S. intervention has been instrumental. Special mention should be made to the "Mediterranean Dimension of the European Security and Defense Policy (ESDP). The emphasis had been given until 2002 to develop military capabilities before full institutional integration into the Common Foreign and Security Policy (CFSP), has several sections of the societies of the Mediterranean partners to misinterpretation (misperceptions) and erroneous conclusions about the objectives of the ESDP. As recorded by the study of Euro-Mediterranean Study Committee (Euromesco), the accusations that the EU shares the strategic plan of NATO, focusing on combating asymmetric threats and limiting the spread of weapons of mass destruction pose the risk of positive expectations European efforts to strengthen cooperation with the Arab world to spend on the sidelines, given the new priorities of international security. A strong EU defense does not create a Europe "fort» (fortress). Given the low level of information on ESDP in the southern Mediterranean countries, it was necessary to redefine the EU involvement in the strategic Mediterranean area, with particular attention to the concerns of Arab countries by the aid of Western control. The ESDP has its own "Mediterranean dimension", thanks to the initiative taken by the Spanish Presidency in May 2002, which essentially implemented by Greece. On the initiative of the Greek Ministry of National Defense under the Greek EU Presidency, organized seminars on Rhodes (1-2 November 2002) and (Corfu, 9-10 May 2003), during which clarified issues management and crisis eased possible misinterpretations , which promoted regional cooperation, with the ultimate goal to fruition a concept of cooperative governance strategy in the Mediterranean⁵². Regional relations have come to light such as to preserve both the mild and open nature of the ESDP and the wider EU effort for democratization and economic progress and its Mediterranean partners. EU

⁵² Euromesco, "European Defense: Perceptions vs. Realities" Euromesco Paper, No. 16, 2002

enlargement has caused feelings of exclusion in most Mediterranean partners, as interpreted as a risk change of political and economic interest of the EU to the states which now asked to participate equally in Europe. However, it performed a new role in PTBs, and is now a multilateral format of regional cooperation, involving a total of 33 countries (15 EU + 10 new EU Mediterranean partners + 8). Besides the change "camp" of Malta and Cyprus, now a full EU membership, presented new data, both due to lack of available resources, but mainly because of lack of public interest and awareness to address regional challenges. At a time difficult, mainly because of the war in Iraq and the overall deterioration in the Middle East, the Greek Presidency has set meaningful goals for the course of the Barcelona Process. At its meeting in Heraklion the BP recorded the progress made, particularly in implementing the Plan of Action of Valencia, and given impetus to the integration of networks of association agreements (Association Agreements), intercultural dialogue and cooperation at the level of society citizens. An important initiative was the integration of the Euro-Mediterranean Parliamentary Assembly (EMPA), as an advisory body to BPs involving representatives of the European Parliament and national parliaments, strengthening the legitimacy and transparency in the BTM, and indirectly will now be represented by all citizens' countries participating⁵³ in BPs. Italy presented the Presidency in a document entitled "Europe: Citizens of a Common Dreams, which the Mediterranean and the Middle East held a prominent position. The Mediterranean three priorities set by the Italian Presidency, was the next day in Iraq, the process of "roadmap" to Middle East, and strengthening BPs. There is no doubt that three southern European countries (Spain, Greece and Italy), almost consecutively held the presidency of the European Council gave particular emphasis on the Mediterranean. However, the participation of Italy, Spain and Portugal in the war in Iraq has changed the traditional attitude of a significant part of southern Europe, which is particularly important if one considers that along with France and Greece are the pillars of Mediterranean dimension within the EU. For this reason also, the Iraq issue was addressed by the Italian presidency as less regional in BTM and more as a European, transatlantic, and intensified the efforts for EU-US rapprochement, but also between countries Roosevelt called the "Old "and" New "Europe. During the 6th Euro-Mediterranean Conference in Naples (2-3 November 2003), delivered with emphasis

⁵³ St. Stavrides and D. K. Xenakis, «Parliaments and Civil Society Cooperation in the Euro-Mediterranean Partnership», *Mediterranean Quarterly*, Vol, 15, No. 1, 2004, pp 75-92.

the need for effective management of migration flows. Were set as priorities the development of meaningful dialogue and establish effective cooperation within the BTM and the expansion of initiatives aimed at eliminating the causes of migration such as the "Action Plan" agreed with Morocco.

A similar affirmation of political will of partners for cooperation on migration and delivered to the Synod of the BP Dublin in May 2004. However, despite the declarations of entry BPs, cooperation on migration has not only reached the stage of implementation, but has not really progressed at a formative stage. Obviously, this situation is due not only to the difficulty of the European Commission to deliver complete solutions, but rather the total inability to adopt a common approach among EU members over the issue of immigration. It is important to remember the inaugural meeting of EMPA, held in Athens (22-23 March 2004), following the decisions adopted at the Conference in Naples and the Euro-Mediterranean Parliamentary Forum (3 December 2003), has acquired enhanced institutional dimension with the conversion to the "Assembly". The Official representatives of the parliaments of EU members, its Mediterranean partners and the European Parliament. Attended also members from other candidates for EU accession countries and the Balkans, as well as representatives of the Parliament of Libya and Mauritania, as well as representatives of international organizations and associations. The Assembly unanimously adopted the "Draft Rules", setting as its main objectives are to strengthen regional security, combating terrorism, improved BPs by creating a free trade area by 2010 and strengthen inter-cultural dialogue with respect to culture and diversity of peoples. It is important to stress that an essential element of the BTM is the culmination of negotiations with Syria in October 2004, and integration of networks of association agreements with Mediterranean partners⁵⁴. A critical step in the creation of regional free trade area (EMIES) constitutes the complete agreement of Agadir, on February 25, 2004, for the release of financial transactions between Jordan, Egypt, Tunisia and Morocco. This agreement will create a strong sub-regional market, providing attractive opportunities for international investment funds. In the next session of the BP, held in Dublin (5-6 May 2004) during the Irish EU

⁵⁴ Association Agreements in force between the EU and Tunisia, THE (1998), Israel (2000), Morocco (2000), Jordan (2002), Egypt (2004) and on a temporary basis with the Palestinian Authority (1997). The agreements were signed with Algeria in December 2001 and with Lebanon in January 2002.

Presidency, the peace process in the Middle East and unblock the stalemate in Iraq, held high on the agenda. Dublin became the official presentation of the new ENP. Moreover, under the decisions of the Brussels European Council (December 2003), the partners produced the letter from the Commission entitled "European Strategic Partnership with the Mediterranean and the Middle East, to the beginning of the cooperation level between the consultative partners to promote regional action. This basis, the Dutch presidency, after an extensive consultation process, published a document on improving the working methods of the BP, which includes the organization of ad hoc groups to prepare proposals to strengthen the sense of common coownership in BPs, delivering more active roles for the Mediterranean partners and major technical improvements. The Netherlands, taking over from Ireland to the Presidency of the EU Council, successfully organized a special meeting of BTM in the Hague (29-30 November), aiming to prepare the 'anniversary' Conference for the ten years since the signing Founding Declaration of Barcelona 1995. The conference in The Hague, of course, used to strengthen the EU's role in the Palestinian issue, which after the death of Arafat came at a critical transition period. The Europeans have expressed active support in organizing in order for "democratic and credible" elections, announcing the grant aid to the Palestinian Authority amounting to 250 million. Emphasis was given to the funding program MEDA, which together with the European Investment Bank and FEMIP (Facility for Euro-Mediterranean Investment and Partnership) now provide about 3 billion annually in the form of grants and loans to Mediterranean partners. In The Hague received the final decision on the establishment of a Euro-Mediterranean Anna Lindh Foundation for Dialogue among Civilizations. (Anna Lindh Euro-Mediterranean Foundation for Dialogue between Cultures), established the Library of Alexandria in Egypt, in cooperation with the Swedish Institute. It was decided the new "Foundation to start work officially on April 20, 2005, and will be a catalyst to enhance the BPs, based on the guiding principles for intercultural dialogue as agreed in the Interim Session of BTM in Heraklion. A 'network of networks "with a light administrative structure, will allow a regular dialogue between cultural circles outside official diplomatic forum. The report of the High Level Group (Groupe des Sages) of Commission President Prodi, presented in October in Alexandria, helped to define more clearly the principles of operation of the institution. Particularly important may characterize the decision taken at a special meeting of BTM in The Hague to declare 2005 "Year of the

Mediterranean. Under the "celebrations" and decided to take a place an extraordinary meeting of EMPA, after the successful second meeting in Cairo (12-15 February 2005), with contributions from the European Parliament and the parliaments of the countries of TMC. As regards the strengthening of "civil society" after the meeting held in Cyprus in 2004 took place a special meeting in order to establish a "Euro-Mediterranean Non-Governmental Platform," Finally, the Euro-Mediterranean Conference in Luxembourg on 30-31 May allowed the Foreign Ministers of TMC to assess what has been achieved so far and to discuss guidelines for future BPs (economic reforms, education and human rights / democratization), preparing substantially not find Summit (Barcelona, 27-28 November 2005).

3. Barcelona + 10

The anniversary conference ten years BoD, held in the Catalan town of the same name, could lead to the strengthening and re-routing of BPs, and offered a unique opportunity to meet for the first time heads of state and government to Mediterranean counterparts. This situation has brought in a symbolic meeting, since the EU summit carries almost all major countries or groups of countries per region, except the Mediterranean. Unfortunately, the results of this conference did not meet the increased expectations. The truth is that even before the conference start, the omens were not good at all. While the leaders of EU countries, and representatives of European Commission, European Parliament, the candidate countries Bulgaria, Romania and Croatia, and three observers (Arab League, Libya and Mauritania) have flocked to Barcelona, lacking almost all the Mediterranean partners (excluding Turkey and formed the Palestinian Authority). Eventually, after arduous efforts saved the appearances and eight other Mediterranean partners were represented by ministers and representatives. The main issues in the Barcelona process was terrorism and uncontrolled immigration to EU countries, however, and two partners refused to speak honestly and to present their needs and desires. Only Arabs are partners emphasized (rightly) the contradiction between the demands of Europeans for greater freedom in movement of goods (the Mediterranean) and the growing restrictions on movement of persons (in Europe). Major complications created by the determination of nine terrorism. "It is essential to differentiate terrorism from the struggle against foreign occupation and fighting for self-determination of peoples," stressed the memorandum put into circulation at the conference by the

delegation of Algeria. The controversial issue of the "Code of Conduct Counter-Terrorism," although the Israelis and the Palestinians as alleged, the coincidence is reached since no one agreed definition of terrorism. Therefore, it became clear whether the rule can be applied or not to organizations like Hamas or selective attacks in Israel. Also, they should retire and some paragraphs were a source of disagreement between partners as a reference to Israel's 1967 borders and the "right to resistance against occupation forces" (a reference to the Arabs as they wanted). The deletions have allowed the adoption of the Code, but the problem failed to resolve at the common statement, replaced by a general statement of the Presidency. As explained by Gianfranco Fini, the achieved at the eleventh hour compromise averted "a failure in the eyes of the world" and the Declaration by the Presidency Blair-Zapatero finally "saved the appearances". The "ultimate escape" of a Declaration by the Presidency, which was not even signed as partners involved, but generally agreed the contents, cannot be considered a great success, at least for an "Anniversary Conference. In Barcelona and adopted the "Five Year Work Programme" of BPs, concerning peace, stability, security, good neighborliness, democracy, sustainable development, economic development and reform, education, cultural exchanges, and social migration and resettlement. The agreed program is general and more like a wish list rather than concrete action to meet the economies of southern countries the large gap with the EU economies As regards the second pillar of the TMC, confirmed the creation of EMZES 2010, as the financial commitments of the EU towards the Mediterranean partners, which will be finalized at the end of the debate on the financial perspectives of the EU. The proposal to establish a regional development bank, which is eager to south, will be finalized by the decision of the Summit in December 2006. Finally, as regards the third pillar of the NAs, the most important developments in the Barcelona + 10 were meeting in Mallorca to promote the initiative "Alliance of Civilizations and the fight against xenophobia and racism. The Barcelona conference was intended to "an opportunity for reflection on the achievements and shortcomings of this process during the first decade, but born and a commitment to the future."⁵⁵ In such a conference could result in serious commitments between partners, including review of the "frozen" from the 2000 Euro-Mediterranean Charter. However, things went so well the anniversary conference

⁵⁵ Angel Moratinos, «Spain in the Mediterranean», 11/20/2005

there was an evidence of "clarity and courage for the qualitative development of regional relations. Overall, although Barcelona were significant and politically binding statements, the final report cannot be described adequately either as to the expectations created by "the ten-year anniversary of BPs or to the needs of regional cooperation.

4. The European Neighborhood Policy and ENP- EMS

At the meeting of TMC in Dublin in May 2004 became the first official presentation of the ENP, suggesting the participation of Mediterranean partners in the new initiative. As Mr. Günter Verheugen, Commissioner for Enlargement and European Neighborhood Policy: "Today we propose to strengthen the ties that bind us with these partner countries through a series of new forms of cooperation and assistance. We want to give them a real stake in the enlarged EU in order to allow for them to grow and prosper. Europe as a whole has an interest to be surrounded by well sited countries, which offer new prospects for democracy and economic development. «The announcement was initially surprised and then concern among the Mediterranean partners. The questions gave birth, on whether this policy will replace the EMP, will coexist if the two policies (for the same countries) and, finally, what is their relationship. The ENP was originally presented in the text published by the European Commission "Wider Europe - New Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors'», adopted by Parliament in October of that year and gave the opportunity to substantially contiguous to the EU countries to expand economic cooperation, even going long on the model of European Free Trade and European Economic era. The most important element in the New ENP is the "Action Plans (Action Plans), which regulate the level of cooperation between the EU and the countries under the ENP. The Action Plans are similar to existing "Strategy Papers Countries» (Country Strategy Papers), as based on adherence to common values such as respect for human rights, minority rights and the rule of law and "common practice" as good governance, good neighborly relations, the liberal economy and sustainable development. For those countries willing to accept and be able to meet the terms of the EU will provide direct financial and technical support. Otherwise, of course, the EU's support probably will not be strong. In the BP, but also in other contexts of the EU's external relations, financial aid and closer economic cooperation are driving forces behind efforts to promote political reform content.

Although it is still early, the ENP should be seen on other European policies such as the promotion of human rights, democratization, conflict prevention policies in third countries, but overall the dominance of these elements in new anymore balance of the EU foreign policy questions attached to how the EU manages to combine a surge of partners with relatively little capacity available to promote high scale reforms in third countries⁵⁶. The ENP will encourage the further development of various forms of cross-regional schemes and sub-regional cooperation initiatives, such as the Economic Council of the Black Sea Cooperation (BSEC), the Agreement of Agadir, the Arab Maghreb Union (AMU), and the EMP. The ENP, it will encourage participants to fully exploit the benefits of BP through infrastructure development, linkages and networks, particularly in the energy sector and to develop new forms of cooperation with their neighbors. How we achieve that, it does not yet adequately explained by the committee. It is almost certain, however, that the strong "bilateral logic" that underpins the ENP will not allow "regional" BPs remain as important, although the ENP will be implemented through the Euro-Mediterranean Association Agreements. This means that the management of EU relations with the countries of the region will remain the General Directorate for Mediterranean and Middle East. Regarding financial assistance, will continue to be provided by MEDA and the European Investment Bank, and from 2007 will be complemented by a new financial instrument for the ENP, the European Neighborhood and Partnership Instrument (ENPI).

4.1. EMS and ENP

The "European Neighborhood Policy» (European Neighborhood Policy), is a series of policies including market rules, decision-making processes, transfers, other forms of cooperation and dialogue. Based on the belief that security, stability and maintainability of EU growth depends heavily on developments in the surroundings, which has already developed economic relations and they are plenty of waves. As Mr. X. Solana, Europe or will be able to "export" stability and security to neighbors or risk importing instability from them. The Neighborhood Policy is not intended simply to fire military-style operations. According to official pronouncements, the neighboring countries should achieve or accomplish a triple shift political, economic and social, thereby consolidating factional market mechanisms and creating the appropriate infrastructure, reforming authoritarian systems and even culturally based

⁵⁶ K. Smith, *European Union Foreign Policy in a Changing World*, Policy Press, Cambridge, 2003

education. The expectation is that this will reduce the economic gap between the most southern and eastern Mediterranean from the European-Mediterranean EU members and causes waves to the North. In a sense, the policy acts as an umbrella for a whole range of bilateral and multilateral initiatives. Apart from the Mediterranean Union, the EU has promoted since 2007 the so-called Black Sea initiative, which includes countries from passing the energy corridors. The initiative has the logic of (securing energy supply, reducing instability in the region), but has limits due to different political and economic conditions of countries in the region. Recently, Sweden and Poland, responding creatively to the Mediterranean initiative, proposed by the Union to organize the "Eastern partnership" that would cover countries such as Ukraine, Moldova, Armenia, etc. All these initiatives will complement and give new impetus, but do not remove existing collaborations. One component of ENP was originally called "political conditionality» (conditionality). The term implies that economic assistance and other commercial arrangements are provided to protect the human rights and promote democracy. Europe is soft conditionality which, unlike the logic of the Bush, administration is using the financial resources and multi-level communication rather than military means to achieve its objectives.

But, the Mediterranean Union, as part of this wider process of redefining the Union's relations with its neighbors, has much more modest goals than the Gallic rhetoric which invested. It focuses on practical issues such as pollution of the Mediterranean, energy cooperation, development of land and sea connections States, education and development of SMEs. Perhaps the relative decline of political conditionality is due to recognition of problems caused by the application. Experience shows that did not work on non-European Mediterranean countries, while it succeeded in central and Eastern Europe, where there was an almost smooth and rapid transition to financial costs of market and democratic regimes. The policy initiative for the Mediterranean Union is true and political objectives, such as respond somewhat to the demand for peace in the Middle East. However, following the economy, rather than ideological and, to some extent, flawed obsession. For many years European companies invest heavily in non-European Mediterranean countries. In Morocco, Algeria, Egypt, Malta and Tunisia made modern ports. We all hope that this will ensure a greater share of modern maritime transport is continually increasing. For comparison only, note that in Greece the corresponding level of planning does not correspond to the Greek aspirations to strengthen the role of country shipping. Developments in infrastructure

are part of major changes that occurred in non-European Mediterranean countries. Their economies have been made in recent years most open and public finances seem to be under control and exert beneficial effects in stabilizing the whole economy. The economic state affects capital flows (and assistance) from Europe: The "Group of 10" injected about 8.7 billion between 1995 and 2006, additional loans of 15 billion. Million from the EIB and other international organizations. The European economy (not only) goes to the South to exploit the comparative advantages of relatively low wages in the region and enhance international competitiveness. Not making the same progress in the southern and eastern Mediterranean. The mainly benefitted from capital inflows are Turkey, Egypt and Israel. The reasons for success are different: The prospect of Turkish accession has encouraged domestic reforms " For five years during the decade and influenced the decisions of European and other companies to invest in the neighbor. The political uncertainty but lately cause problems. In Israel the most important favorable factor is the highly skilled workforce. The evolution of the Euro-Mediterranean relations since the emergence of the ENP creates a number of questions such as whether the new ENP will achieve its ambitious goals in the Mediterranean, what more (from the EMP) will be able to offer democratic structures in Arab countries, the ENP and what would ultimately be the "cohabitation" of these two policies. Question as there are options for the EU to promote democracy and good governance through the ENP, given the tensions resulting from the BP conflicting perceptions of European and Arab partners on what actually constitutes a useful state. The ENP is actually more regular than the EMP, although the way he wants to create a "community values" makes it perhaps the most arrogant policy that has been devised so far by the European Commission. Although the agreement to respect democracy, human rights and the rule of law, is politically and not legally binding on both policies, however, the EU's approach in the ENP is more rigorous. In BTM, the EU based on the example of Helsinki introduce democracy, human rights and the rule of law as goals to be achieved, while in the ENP assumes. Moving at least one step ahead of the existing problems in regional relations, the ENP, the EU will not negotiate for the common ground, as does the BP, but how extensive will implement the objectives set, to clarify the level and the prospect of cooperation in each country separately. Questions exist about the "ethos" of cooperation and flexibility of European policies on preferred strategies for implementation and monitoring of joint commitments. Despite disappointing results so far in BPs the ENP

PROMISSORY strict and immediate application of available resources of negative conditionality⁵⁷. This more rigid policy, however, should be applied to the Mediterranean partners with a degree of flexibility (positive conditionality). In any case, methods for promoting democracy should not simply replicate the standards applied elsewhere, and we needed to strengthen all those involved in the social and democratic change, regardless of whether they come from Islam or secular regimes in the endemic area. Without such an approach, the pressure exerted by the EU is not respectful in Arab and Muslim civil society, the real supporters of regional democratization and social progress. Questions also exist about what would be the coexistence of the two policies. An "innovation" of the ENP in relation to the EMP is that democratization and reforms are not promoted total regional level, but bilaterally. This approach may create unexpected situations, as each country can set its own terms in the EU, often in relation to those agreed to by the EU and the competing countries, and of course Israel. Some, perhaps, decide to pay the minimum price to achieve what they seek, while minimizing their commitments, while others may get lengthy, debilitating and questionable results of negotiations. The "liberalization" of the EU's external relations with the emergence of the ENP will be crucial for PTBs, and several Mediterranean partners looking for different levels of political and economic engagement with the European core. If ultimately the very ambitious ENP maintained as structure and political acquis, strengthening "bilateral sense" in EU external relations, the PTBs is sure to fade and marginalized. This scenario may be overly pessimistic, but it is unlikely if the ENP becomes operational and is delivering tangible results. It is not excluded even a return to a purely Arabic EU approach, in line with the Euro-Arab Dialogue in the early '70s, as this suggests, and "Text Solana" for European Security. Possibly the ENP have added value because of the focused approach and the opportunities for higher levels of economic cooperation, resources and community support. Probably the best offer custom bilateral "deals" can quickly lead to some Mediterranean partners on reforms. Of course, the occasional national reforms do not eliminate the need for a comprehensive approach to the problems in the region. Although the ENP seems more capable of BTM to promote reforms in specific states area certainly no panacea for the common regional problems of stability, security and development. The piecemeal reforms will likely produce similar

⁵⁷ Friedrich Ebert Foundation, From Barcelona to Wider Europe-and closer relations., International Program Report, Valletta, 2004

effects, so the need for a systematic approach to all challenges of the Euro-Mediterranean system will be restored.

5. Barcelona Process: Union for the Mediterranean

On July 13, 2008 meeting in Paris, at the highest level, the founding conference of the Union for the Mediterranean, a new international organization bringing together 43 countries: the 27 members of the EUROPEAN Union and 16 other countries that have coasts on the Mediterranean (all Mediterranean countries, only Libya has refused to participate). The conference, which was the first major event of the French EU presidency in the second half of 2008 were also included representatives of international organizations (UN, European Parliament, African Union, Islamic Conference, etc.) and some non- governmental organizations. The conference called by French President Nicolas Sarkozy, who had already proposed during the election campaign. But Sarkozy, demonstrating remarkable flexibility, accept major changes to what was explicitly or implicitly, originally proposed on the main characteristics of the organization. So while the original proposal was limited to states with Mediterranean coastlines, excluding non-Mediterranean EU members, in the end, and they became members of the formation, not only because both Germany's Merkel and other northern EU members insisted participate, but also because it was dominated by the logic of the unity of the EU and the contribution of all members of the formation and financing of European politics. After all, since the EU as a whole creates and performs a single policy is a section that has coastlines in the Mediterranean and the Atlantic. A division of Mediterranean and non-states would be problematic. The change in the nature of the new formation is evident and the name was eventually accepted. The original proposal referred to a Mediterranean Union, linked to the EU, but essentially separate. Discussions on the name "Union for the Mediterranean. In the final declaration, however, the agency called "Barcelona Process: Union for the Mediterranean", pointing this way continuity with the already established European political Euro-Mediterranean dialogue. Characteristic of the change objectives and substance in this preliminary stage is the relationship of the new Union with Turkey. Sarkozy's original proposal provided, implicitly if not explicitly (given the reservations expressed by Sarkozy) that Turkey's participation in the new Union

would be a substitute for Turkish EU membership after the first but your request and clear opposition to a Turkish Such a scenario, President Sarkozy, not to deny explicitly expressed reservations regarding Turkey's accession to the EU made clear that the creation of the Union for the Mediterranean will not undermine the already formed EU-Turkey relations and its status as candidate. The main objectives of the Union's policies, especially the promotion of peace and friendship between the Mediterranean countries, which are not obvious, given that many of these countries are now in bad, through war, relations with one another. The conference itself provided an opportunity for "friendly" meetings of Heads of State recently even had a special impression on illegal armed clash caused by the presence of the Syrian leader by many French people consider responsible for attacks against French troops in Lebanon and, following alphabetical order, leaders Egypt, Israel, Syria and Palestine Authority sat next to each other. On the eve of the s Conference on July 12, Syria and Lebanon have agreed, after six decades, to exchange ambassadors. The declaration issued at the end of Conference provides instruments and operating procedures of the Union and a long list of measures, actions and common areas of cooperation. The organizational and regular meetings peak (every two years) and co-chaired an EU member and another Mediterranean country (the first conference were the presidents Nicolas Sarkozy and Egyptian President Hosni Mubarak). Even the Foreign Ministers meetings each year and continuous contacts at senior diplomatic level. The Mediterranean Parliamentary Assembly and a joint secretariat of the organization for which I stated that we are independent and have separate legal personality. Given the turbulent nature of superiority, the political dimension of peace is paramount, so that any functionalist, technical side of things to come in second. The Press provides for the creation of a zone free of weapons of mass destruction, condemning terrorism and stresses the need to promote Arab-Israeli peace and human rights. It provides for cooperation in environmental protection, with particular emphasis on water management. Whether the Union for the Mediterranean has a future course cannot predict today. It all depends on the willingness of its members. Already in its first constitution, meeting, it was possible to reconnect the countries of their relations in recent years had distances between them, if not purely hostile relations. Frequent meetings and address together the problems of the region can play a positive role. Especially for Greece, given its dual status as a coastal country of the Mediterranean and EU membership and friendly relations with all participating countries, this new

formation of international offers interesting opportunities for action and impact. Needless political ingenuity on the positions and proposals for specific links and contacts for all activity within the new Union. The relatively relaxed nature of relations within the EU is rather positive, and offers opportunities for any country willing to take initiatives.

5.1. More than a decade, the Euro-Mediterranean cooperation

The Mediterranean region is of vital strategic importance for the European Union both politically and economically. The Barcelona Process has been the central instrument for Euro-Mediterranean relations since 1995. Representing a partnership of 39 governments and more than 700 million people has provided a framework for continued engagement and development. The Barcelona Process is the only forum in which all Mediterranean partners exchange views and engage in constructive dialogue and is a regular political dialogue on the agenda of meetings of ministers and senior officials of the Euro-Mediterranean Partnership. It represents a strong commitment to stability and democracy in the region through regional cooperation and integration and aims to build on that consensus to pursue the road towards political and socio-economic reform and modernization. However, the ongoing conflict in the Middle East has the partnership to the test and resulted in a borderline's ability to maintain open channels of dialogue between all partners. The partnership has also supported efforts to strengthen democracy and political pluralism by broadening participation in political life and continues to promote respect for all human rights and freedoms. However, the goal of progress and reforms and resolute commitment to the process of strengthening governance and participatory democracy tempered by global and regional events. A very positive feature of the last decade was the way in which dialogues with different political and economic actors, civil society, including women's organizations and the media-have become more central to the process. The various agreements and cooperation programs in education and training have helped to develop the capacity of these countries and constitute a very important tool for developing human capital and promote cultural and social values. The Anna Lindh Foundation for dialogue between civilizations, the only institution financed by all

partners is a very good example of a common commitment to a dialogue and promotes mutual understanding of cultural issues and recognizes the fundamental role played by intercultural dialogue to promote peaceful coexistence. The EU remains the main partner of Mediterranean countries both in trade in products and services. Significant progress towards the establishment of a Euro-Mediterranean free trade area by 2010. The gradual liberalization of trade with the EU was favorable for exports and investment, but services and to a lesser extent agriculture, which accounts for two thirds of GDP. Just beginning to appear in Euro-Mediterranean free trade area. It has also been slow but steady progress in economic integration south, which remains below potential. There has been improvement in macroeconomic stability inflation has fallen significantly over the past 10 years, while human development indicators show improvements in health conditions and overall life expectancy. However, it is also true those further and faster reforms if the Mediterranean partners are to reap the potential benefits of globalization and free trade with the EU and regional integration. The economic reforms, the gradual liberalization of trade of industrial products with the EU, and improvements in economic governance was not enough to attract domestic and foreign investment needed to raise living standards in the region. The increase was good but insufficient. The reforms were encouraging but short of initial expectations. Free trade with the EU has promoted exports and investment. The combined effect of these shortcomings was to move the process forward at a slower than expected pace. The failure of economic growth and continued population growth led to enlarge the prosperity gap between the EU and most Mediterranean countries, and there was no real economic convergence. The formula of trade, investment and cooperation is timely, as in 1995. If the EU can, in turn, to do more to promote trade, investment and cooperation in the region, the countries of the region must take up these opportunities available to them in the context of national economic policies. In summary, the Partnership has is no longer a strong promotion of multilateral and bilateral relations, but needs more qualitative and quantitative change, to spur investment and create jobs and to promote the optimal use of human resources. Must meet certain deficiencies, if the partnership is to provide multilateral support in jointly agreed policies in the political, economic, social, educational and cultural cooperation and cooperation in the field of security. We must reassert political terms the fundamental importance of the Mediterranean on the political agenda of all participants. The apparent lack of ownership by the

Mediterranean partners is a source of concern for everyone. Another area that must be addressed is the lack of institutional balance between the EU on one side and the Mediterranean partners on the other. Another failure of the Barcelona Process has been insufficient visibility and the perception by citizens that there are many things to solve their daily problems and real needs. It takes far more engagement and new catalysts to transform the objectives of the Barcelona Declaration into reality.

E. UNION FOR THE MEDITERRANEAN

1. Union for the Mediterranean

All the EU's Mediterranean partners have close historical and cultural ties with Europe. The Euro-Mediterranean Partnership has provided a means to address many strategic regional issues relating to safety, environmental protection, management of marine resources, economic relations through trade in goods, services and investment, energy supplies (producing countries and transit), transport, migration flows (origin and transit), regulatory convergence, cultural and religious diversity and mutual understanding. However, the centrality of the Mediterranean to Europe, the importance of our ties, the depth of cultural and historical relations and the urgency of joint strategies for the challenges we face must be reviewed and given greater political significance. The European Council of 13 and 14 March 2008 approved the principle of a Union for the Mediterranean and invited the Commission to present proposals defining the modalities of the "Barcelona Process: Union for the Mediterranean". The Commission assessed the achievements of the Barcelona process and its contribution to dialogue, peace, stability and prosperity in this region shared by the EU and some of its closest partners. Also taken into account the shortcomings and difficulties encountered in the process of multilateral cooperation which the EU has pursued since 1995. This communication takes into account these factors and presents the Commission's proposals for the development of the "Barcelona Process: Union for the Mediterranean". The Commission has consulted with all partners involved in the European Union and the Mediterranean in order to gain a clearer picture of their priorities and to determine how best they could give fresh political and practical impetus to the process.

2. Scope and main objectives

The challenge of a new initiative is to enhance multilateral relations, increase co-ownership of the process and make it more visible to citizens. It's time to give new

impetus to the Barcelona Process. The successful elements of the existing Barcelona Process should be used as a base and be strengthened. Thus, the Barcelona Declaration, its objectives and areas of cooperation continue to apply the "three chapters of cooperation (political dialogue, economic cooperation and free trade and human, social and cultural dialogue) will continue to constitute the backbone of Euro-Mediterranean relations. The 5 year Work Programme adopted by the Barcelona Summit in 2005 (including the fourth chapter of cooperation on "Migration, Social Integration, Justice and Security" introduced at that stage), the 2008 annual work program approved by the Foreign Ministers in Lisbon in November 2007 and findings of sectoral ministerial meetings will remain valid. Based on views expressed by most EU member states and their Mediterranean partners, the Commission considers that the current structures of the Barcelona Process and in particular the Euro-Mediterranean meeting of senior officials, the Euro-Mediterranean Committee meetings and meetings of experts should be maintained and strengthened where possible. The political and economic dialogue is a very important feature of the multilateral dimension of Euro-Mediterranean relations and should be continued. The "Barcelona Process: Union for the Mediterranean is a multilateral partnership. Focusing on regional and transnational projects will increase the potential for regional integration and cohesion. It will encompass all EU Member States and the European Commission and the other members and observers of the Barcelona Process (Mauritania, Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Palestinian Authority, Israel, Lebanon, Syria, Turkey and Albania) and other Mediterranean coastal states (Croatia, Bosnia and Herzegovina, Montenegro and Monaco). The "Barcelona Process: Union for the Mediterranean will complement the bilateral relations maintained by the EU in these countries, which will continue under existing policy frameworks such as the European Neighborhood Policy and in the case of Mauritania, under the African, Caribbean and Pacific countries. It will also complement the regional dimension of EU enlargement, which includes the accession negotiations and the accession process. It will also ensure coherence and the complementary with the EU-Africa Strategy. This new initiative will give new impetus to the Barcelona Process in at least three very important ways: by upgrading the political level the EU's relationship with its Mediterranean partners, increasing its ownership in our bilateral relations, and making these relations more concrete and them more visible through additional regional and sub-regional projects will involve citizens in the region.

2.1. Upgrading of relations-increased ownership

The proposed decision to hold biennial summits of Heads of Government will provide a clear indication of the intention to upgrade relations. The first summit to be held in Paris on July 13, 2008 in the forthcoming French presidency will take a formal decision to launch "Barcelona Process: Union for the Mediterranean, and will determine the structure, operation and its main objectives. The conclusions of the summit will include a policy statement and possibly a short list of concrete regional projects to be implemented. The conclusions will be adopted by consensus. Subsequent summits have the same form by adopting a political declaration endorsing a broad two-year work program for the "Barcelona Process: Union for the Mediterranean and agreement on some specific regional projects. Also. In the intervals between the summits will be held Foreign Ministers' conference which will take stock of progress in the implementation of the summit conclusions and prepare the next session. Generally, the summits will take place alternately in the EU and Mediterranean partner countries. The countries hosting summit or ministerial meetings of the Barcelona Process: Union for the Mediterranean "will invite all countries participating in the initiative. The Euro-Mediterranean Parliamentary Assembly (EMPA) has shown that it is the parliamentary dimension of the Barcelona process, providing a framework for discussion, open dialogue and free exchange of views. It gives impetus to the partnership by adopting resolutions and recommendations. Role of the Euro-Mediterranean Parliamentary Assembly will be the legitimate parliamentary representation of the Union for the Mediterranean. The Commission strongly supports strengthening the role of the EMPA in its relations with Mediterranean partners. During the consultations and contacts held by the Commission, it became clear that all countries agree on the need to build a stronger partnership that will result from greater ownership of the different procedures. Two proposals received general support from partners: the establishment of a co-presidency and the creation of a joint secretariat.

3. Institutional setting:

3.1. Co-Chairs:

The introduction of co-presidency will enhance and improve balance and co-ownership of our cooperation. The co-chair will be brought to the partnership as a whole. One of the co-chairs will come from the EU and the other from the Mediterranean partner countries.

The establishment of a co-presidency of the EU side must be compatible with the provisions governing the external representation of the European Union, including the Treaty on European Union and the Treaty establishing the European Community. For the first summit, the rotating EU presidency will hold the presidency from the part of the EU since the entry into force of the Treaty of Lisbon, the EU Presidency will be exercised by the President of the European Council and Commission President (Heads of State and Government) and the High Representative / Vice-President of the Commission at the level of Foreign Ministers. Given the complex regional environment, the choice of co-chair on the side of the Mediterranean partner countries will require consensus. The term of office of two years. The country will hold the co-chair on the side of the Mediterranean partners will host the Summit of Barcelona Process: Union for the Mediterranean ".

3.2. Institutional governance and Secretariat:

Another key tool for enhancing ownership and promoting a more balanced partnership will improve the system of institutional governance and the creation of a new secretariat. To gain greater visibility and better adapted to reality, the "Barcelona Process: Union for the Mediterranean should be a strong project focus.

Improve institutional governance enhanced and more equitable governance will be achieved by a committee composed of specially appointed representatives from all Member States, the Mediterranean partners and the Commission. We set up a committee based in Brussels to be called "Joint Permanent Committee" composed of permanent representatives of their respective missions in Brussels.

3.3. The Standing Joint Committee:

It is run by representatives of the co-presidency, will prepare the meetings of senior officials and Euromed Committee meetings and ensure appropriate follow-up, co-chairs will assist in the preparation of summits and sectoral meetings of foreign ministers, may also function as rapid response mechanism, if a crisis situation arises in the region which requires the consultation of Euro-Mediterranean partners, members and co-chairs of the Standing Committee will be the same as participating in meetings of Senior Officials / Euro-Mediterranean Committee, the creation of a permanent Mediterranean committee will meet regularly could result in reducing the frequency of meetings of Senior Officials / Euro-Mediterranean Committee.

Secretariat: In light of the views expressed, the Commission concluded that it should be requested from the secretariat of the Barcelona Process: Union for the Mediterranean "to take the proposals for joint initiatives to be decided by politician's bodies and to ensure continuity to be given to decisions taken by Heads of State and Government regarding the programs.

Duties: The Secretariat should compile the project initiatives (from various sources such as the sectoral ministerial meetings, national or regional authorities, regional bodies, private sector, civil society) to examine and suggest projects Euro-Mediterranean Committee, which plays the role of a clearing. Once the projects accepted by the Euro-Mediterranean Committee will be submitted for approval by the Conference of Foreign Ministers, participants at the summit. If accepted, participants at the summit will instruct the secretariat to provide the necessary continuity in their promotion and search for partners for implementation. The funding and project implementation will be ensured if the various stakeholders and partners in accordance with relevant procedures.

Composition: The Secretariat will be composed of officials seconded from all participants in the process. The goal is to achieve a sufficiently high level of participation by Mediterranean partners to increase the degree of ownership and participation. There will be a Secretary-General on the one hand and a Deputy Secretary from the other to be selected by consensus. The Secretary General will

appoint the staff of the Secretariat on the basis of competence and geographical balance. The organization of the secretariat and the composition of the staff must be approved by the Euro-Mediterranean Committee.

Funding: The seconded staff will be funded by their respective administrations. The running costs of the secretariat (support staff, equipment, etc.) will be funded on an equal basis by the EU and its Mediterranean partners. The location of the seat will be decided by consensus. The host country will provide the premises free of charge at the Secretariat.

3.4. Projects

The project dimension should be at the heart of the "Barcelona Process: Union for the Mediterranean". The programs developed under this initiative will be able to promote regional cohesion and economic integration and to develop linkages between infrastructures. It should be visible and be suitable because citizens of the region.

The selection process will consider:

the regional, sub regional and transnational nature of proposed projects, including the possibility of cooperation between a limited number of countries, their size, relevance and interest for all partners, their ability to promote balanced and sustainable development, regional integration, cohesion and linkages, their financial feasibility including the maximization of funding and private sector participation, and their maturity or degree of preparedness for a rapid start.

Some project proposals tailored to the needs of the region that meet the above criteria should be ready for consideration at the summit scheduled for July 13. The Commission identified four such projects which it considers of great interest to promote growth, employment, increased regional cohesion and sustainability for the Mediterranean. The projects are attached in Annex I to this announcement and submitted for consideration by the partners.

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Mediterranean. The projects are attached in Annex I to this announcement and submitted for consideration by the partners.

3.5. Financing

The EU and its Member States already provide significant funding in the Mediterranean region. To provide added value to existing arrangements, the "Barcelona Process: Union for the Mediterranean" should be designed to mobilize additional funding for the region, particularly through regional projects. The added value will greatly depend on its ability to attract more funding for regional projects.

While there may be allocated in advance funds in the EU may be considered for funding some projects that meet the objectives of the regional programs of the EU Concerning the financing of the budget will continue to apply the normal rules and ordinary procedural rules.

The Commission believes that additional funding for regional projects and activities should come mainly from the following sources:

- private sector participation,
- bilateral cooperation between Member States,
- contributions from the Mediterranean partners
- international financial institutions and other bilateral funds,

of Euro-Mediterranean Investment and Partnership (FEMIP) was created in 2002 as a tool to encourage private sector development in the Mediterranean region to facilitate higher economic growth. FEMIP combined EIB loans with funds from the EU budget to provide technical assistance, risk capital and interest subsidies. In 2005, the organization has been reviewed and strengthened.

The ENPI (European Neighborhood and Partnership) (previously scheduled for the period 2007-2010 about 50 million annually), the Investment Facility in the neighborhood and the average cross-border cooperation within the ENPI, and other instruments applicable to the countries covered by the initiative.

4. The central policy thrust of the Union for the Mediterranean

4.1. Objectives - Specific examples of initiatives.

The Commission identified four examples of initiatives that meet the conditions specified in the notice. These are indicative and not exhaustive list, open to other suggestions and proposals. These initiatives reflect the need to ensure closer cooperation at both regional and sub-regional levels have real potential for regional integration, is generic and non-discriminatory. These initiatives are consistent with and complement a wide range of activities and programs implemented by the Commission at the regional and bilateral level in the Partnership Euromed. All projects except one (civil protection), have great potential to mobilize funding from various international financial institutions, to encourage partnerships in the private / public sector and attract investments from the private sector.

4.2 Coastal motorways.

The transport sector is identified as one of the priorities of the Partnership Euromed. The concept of motorways of the sea arose in the context of the Euromed partnership as a combination of integrated services to major freight routes, which include shipping and is designed to ensure the smooth flow of trans-Mediterranean trade. The initiative "Barcelona Process: Union for the Mediterranean would be made for accelerating the process to facilitate the mobilization of finance and to begin developing other routes / links / ports / markets In this context, it should be supported by working groups on transport Euromed Motorways of the Sea "and" infrastructure "to continue their work on determining priority ports. Once selected these ports will need to mobilize financial resources for their implementation (a combination of national, multilateral and private funds and EU funds, particularly the NIF). Interconnection of the Arab Maghreb motorway (AMA). The construction of the Arab Maghreb motorway (AMA) is one of the major initiatives in the infrastructure of the Arab Maghreb Union (UMA). It aims to create a regional economic integration among five members of the UMA (Mauritania, Morocco, Algeria, Tunisia and Libya). Three of these countries (Morocco, Algeria, and Tunisia) have made significant progress in the construction of a national basis. To complete this project and to gain its full magnitude and meaning, these three countries must agree to interconnect their respective networks to route already mapped. However, the construction of

international networks can achieve the goal of which is to facilitate the movement of goods and people only if accompanied by government measures of trade liberalization and removal of various non-tariff barriers that hamper trade. The possibility of a concession scheme could be of great interest to the private sector.

4.3 Decontamination of the Mediterranean and good governance

The quality of the Mediterranean environment has been increasingly affected by unsustainable development. The Euromed Environment Ministers decided in 2006 to launch the Horizon 2020 initiative and adopted a timetable for the period 2007 – 2013. The main objective of this program is to accelerate the ongoing initiatives to depollute the Mediterranean. We developed three main components: supporting the implementation of Horizon 2020 initiative and promote good environmental governance and support investment to reduce pollution and create a common information system for the environment in the Mediterranean. Several regional and bilateral programs are under preparation or implementation in the framework of the ENPI, and will contribute directly to achieving the goals of treatment of the Mediterranean. In this context, the added value of the "Barcelona Process: Union for the Mediterranean" is twofold: first, strengthen the political dimension of this treatment of the Mediterranean; secondly, will serve as financial leverage for investment to reduce infection and capacity building projects.

4.4 Civil protection

In 2001, created at the European level, a Monitoring and Information Centre with a view to promoting closer cooperation in the context of intervention assistance for civil protection. The strengthening of such cooperation in the Mediterranean region is particularly important because the Mediterranean is exposed to significant and increasing risks of disasters, particularly given the impact of climate change. A special dimension of this issue is maritime security and the role of the European Agency for the Safety of the Sea. At regional level, the Euromed program for prevention, preparedness and response to disasters was to develop a thorough knowledge of exposure to disasters and response capabilities in the region, strengthening of existing measures to prevent risks at international, national and local level and improve the response capabilities of the actors. The program is aimed, therefore, to strengthen cooperation among key actors of civil protection and the progressive convergence of the Mediterranean partner countries of the MIC. This

program will work in close cooperation with the European Civil Protection and will ensure that there is synergy with the activities of the Commission, Council of Europe and the United Nations. So this is a policy measure to strengthen the partnership Euromed, a regional real added value, which plays a federative role politically, as perceived by citizens and which may contribute to sub regional integration. The new political impetus given by the "Barcelona Process: Union for the Mediterranean" will significantly broaden the scope of this project and possibly attract additional funds.

4.5 Mediterranean Solar Plan

The Euromed Energy Ministers reiterated the 2007 general objectives of cooperation, namely the increased integration of energy markets, promote sustainable development, including solar energy. The development and implementation plan for a Mediterranean solar energy should be placed in this context. The active promotion of solar energy in the region is in the interest of all parties. The EU has led to the technologies and wants to develop further. Later, the EU could introduce solar electricity. This plan should, initially, to mobilize the political authorities at the highest level of multilateral and financial institutions in a regional conference. The European Commission could help prepare the plan and provide a framework to maintain both the necessary dialogue on energy policies and sectoral strategies, and to ensure monitoring of the project. Such work could be carried out jointly with the secretariat of the Barcelona Process: Union for the Mediterranean using, for example, the resources of technical assistance program MED-EMIP. It also could be other entries.

CONCLUSIONS

In modern international relations, the Mediterranean is often characterized by a deep-rooted fragmentation and a perpetuating instability, highlighting the need for a stabilizing framework or a regional norm greater predictability. The transition to the post bipolar era has changed the parameters of international relations, currently applicable in the selection of multilateral cooperation. Although the Arab countries remain suspicious of the reaction to the effects of enhanced extra-regional presence in the region are more willing to open their doors in the process of globalization. After the seismic changes of 1989, the Mediterranean countries redefined their goals and

policies as new challenges are primarily financial and economic conflicts for the global market, despite the military conflict on territorial sovereignty, with equal participation in global environment to be an additional incentive to cooperate. Despite numerous international initiatives focusing on the Mediterranean since 1989, the most significant change was motivated by the European Union (EU), which accused a number of years that marginalize the Mediterranean, adopted a more comprehensive policy through the Euro-Mediterranean Partnership . Although these initiatives have contributed to an overall improvement in relations in the Mediterranean, the lack of coordination between the different components of regional cooperation, and the heterogeneity of the formation, did not produce the desired results. The launch of Euro-Mediterranean Partnership in 1995 paved the way for the institutionalization and organizational "normalization" of international and transnational relations in the region. However, more than twelve years after the signing of the founding act, and two years after the adoption of the Five Year Action Plan, we can conclude that it was a rather thin trying to manage regional relations, and has not acquired the necessary means and resources to address the complex problems that stagnate in the Arab south. The general picture is that Euro-Mediterranean Partnership did not reveal a community of interest based on the principles of reciprocity and good governance, mainly due to the deterioration of Arab-Israeli relations, focusing on Palestine and, more recently, Lebanon, the influence of asymmetric threats after the terrorist attack of September 11, 2001, the issue involving the European campaign in the U.S. in Iraq, the massive enlargement of the EU and a number of other factors that undermined the overall climate of cooperation which had initially invested by the EU. Given the lack of common understanding on regional security between the outside regional powers with strong interests in the region such as the U.S. challenged the EU's work to effectively resolve all regional challenges. Moreover, they appear competitive European programs such as the European Neighborhood Policy and proposal of French President Sarkozy for a "Mediterranean Union" that started under the French Presidency of the EU as a "Union for the Mediterranean" Although the content of the new initiative has adequately defined, key areas are energy, culture, economy and safety. The French proposal is to pave the way for the implementation of the current year work program by preparing action plans for carrying out various programs in specific policy areas such as:

- completion of cross-Mediterranean network of electrical generation
- development of nuclear and renewable sources acting
- establishing a Mediterranean Development Bank lending SMEs
- control of environmental pollution in the region,,
- assignment of an entry permit specific categories of citizens, entrepreneurs and researchers as officer and
- Cooperation between universities, an exchange of students (Erasmus-MED) and partnerships.

The new initiative is not intended to replace the NAs, but a supplement to this framework for action. Initial fears that France extend its interests at the expense of other EU members using the new initiative as a vehicle for gaining influence in Europe's relations with Mediterranean countries, although it led to a number of intra-European tensions finally dealt with the integration of the affected Action Plan in BTM with equal participation of all EU members. The crucial question of unification of the Mediterranean came back through the Sarkozy proposal as a viable alternative to the "isolated" in an essentially Euro-Arab dialogue in Israel (after the accession of Cyprus and Malta to the EU) and Turkey (in an epic relationship with the EU). The new initiative should not; however, to risk whatever the level of consistency achieved by BTM, either as an emerging international system as either horizontal cooperation between sovereign but interdependent states. That's because the new challenge of institutional cohesion of the entire judicial level through consensus (adherence to rules of the game) and consistent expectations and preferences, focusing on opportunities rather than specifically targeted limits a more strategic partnership focusing on common projects between functional partners.

Twenty years after the end of bipolarity, the interest in Mediterranean countries indicates a closer relationship with the EU. The Euro-Mediterranean Conference of 1995 was the most explicit attempt to prevent the replacement of the Berlin Wall by

another "wall", the inequality, and tensions of various kinds threatened to build between the EU and the Arab world of the Mediterranean. An unspoken but visible part of the initiative in 1995 was an attempt to France and Spain to offset the shift in the EU after enlargement, strengthening its Mediterranean dimension. However, the BTM "saw the light of the advantage of reduced crack a half-window of opportunity to heal after just now. Moreover, the war against terrorism after the September has stepped up its violence in the region, resulting in the Euro-Mediterranean Charter for peace and stability promoted by the EU continues to be "meaningless." The results of the second pillar of DTA are equally confusing, and inequalities between partners tend incrementally. It should be remembered, moreover, the fact that most Arab leaders 'boycotted' the anniversary meeting for the ten years of PBs, wanting to show their displeasure with the disappointing financial results of their cooperation with Europe. Nevertheless, this is not due to lack of interest by the EU, and about 3 million a year directed to the region through the MEDA aid and loans from the European Investment Bank. However, entry PTBs, the gap between North and South in the Mediterranean expands rather limited. The last decade, average per capita income in the EU rose from 20,000 to \$ 30,000, while in Southern countries has remained stagnant (around \$ 5,000). Simultaneously, the European aid has not resulted in attracting direct investment, while EMZES faced much criticism because the liberalization of trade is limited to industrial products. The most acute manifestations, and at the same time and cause of regional stagnation is the low level of direct foreign investment and poor horizontal trade between the Mediterranean partners (only 15% of their total trade). Migration and human rights are the dominant themes in the third pillar of the BTM. Here coexist fears of Europeans goes full input and Arab concern about safeguarding the perimeter of the Schengen and treatment of their compatriot. However, the issue is simply "certified" in the Barcelona Declaration in 1995 and since then absent from the Association Agreements concluded in 2004. The violation of human rights continues unabated in the accession countries and the EU fined it increasingly difficult to meet its international obligations, particularly in response to the illegal immigration. Moreover, pressure from the EU to the Mediterranean partners to combat terrorism and to control irregular migration has led to further abuses of human rights in the region, while the tragic events in Gibraltar are just one example of outrageous deficits in BTM this. The EU must address its shortcomings not only because it undermined the European values, but also because at stake and

credibility in addressing the abuses of the predominantly repressive regimes in the South. Should handle the issue through the establishment of a correlation between migration policies and regional cooperation, and should adopt policies based on both the stability of the host societies, and the development of societies of origin. Although delayed, the appropriate solution for the systematic regional stability, it is clear that the latter depends heavily on the democratic process. The prevailing view that democratic countries tend to resolve their differences through peaceful means, makes PTBs catalyst for the future of the Mediterranean. The idea of strengthening democratic institutions in the South was not the start of the EU plan for the area, but added at the insistence of the European Parliament, and so many partners, including Europeans favor of abolishing the target, focusing to more good governance. To promote this goal became more complicated after the announcement in Washington for regime change as one of the main motivations of the intervention in Iraq. This strengthened the suspicion and cultural misunderstandings middle east, that democracy promotion means and the external imposition of a hegemonic neo-MOP-government censure. Although PTBs has apparently produced the desired results in the organization of a regional system stability and safety, however, remains the major form of regional cooperation. But in a global institute result PTBs after its inception, the main aim should be to the degree to which the "partnership" has yielded tangible results with the original objectives. While the policy framework of cooperation (first pillar) has improved, but failed to offset the reluctance of the Mediterranean partners to undertake the reforms they sought. Although the goal of promoting democracy and human rights has proved extremely difficult project, regional cooperation and European player in the region have a total increase. The albeit limited development PTBs (second and third pillar) has helped to consolidate a culture of regional cooperation and the Mediterranean dimension of ESDP has become a critical regional strategy parameter. Of course, the search for signs of positive development of the system does not underestimate the practical difficulties, such as identification of problems resulting from the prolonged crisis in the Middle East, which significantly limits the potential of NAs to establish favorable conditions of cooperation, and the failure signature of the Euro-Mediterranean Charter. Undoubtedly, a long process as Barcelona can only proceed with trials, errors and "reversals". We must also remember that the design, Functioning and efficiency of international systems cooperation and collective governance require maximum (not minimum) capacity of

government. In BTM such capacity does not exist, not only because of institutional weakness as such, but mainly because of lack of real political supply-mainly in the South-for use of existing institutional arrangements aimed at managing the "common-regional challenges. After years of Functioning PTBs, increasing uncertainty overshadow the expectations of partners in the future. The lack of substantial progress and many times the attitude of EU have created a climate of resentment and suspicion by the Mediterranean partners, who believe that the EU uses the EMP to combat terrorism and illegal immigration, when in fact indifferent to economic growth and development partners. In an effort to overcome the current stalemate situation requires both more and higher quality bonds of trust, regardless of current difficulties in the Middle East, and also to enhance the stabilizing role of the EU in the process of political and economic transition in the South. The strengthening of ties and loyalty to a common future has proved a catalyst in the successful political and economic transition in Eastern Europe, in contrast to the meager achievements of PTBs, which does not provide the possibility of "mainstreaming" in the European core. The EU should also be offered to the Mediterranean partners an effective framework for cooperation to identify, from the Mediterranean partners themselves, the conditions for starting the reforms to attract investment, integration into the international economic system and the stability of the legal system. The multidimensional nature of PTBs, the three pillars of action and different interests among the partners has led to the flexible development. This flexibility can offer new prospects for cooperation between its members based on a model of enhanced cooperation and help a team of willing partners to move quickly to any of the three dimensions of cooperation. In view of the "flexible ENP, and where the BTM does not want to experience the same fate as its predecessors, the Renewed (Renovated) and the Global Mediterranean Policy (Global), should make use of positive conditionality (positive conditionality). The introduction of the expanded / diversified cooperation and the transformation of negative to positive conditionality will leave the general Barcelona acquis intact and thus acceptable to all members. Of course, the introduction of positive conditionality dictates a different policy approach by the EU to corrupt, but are secular and pro-Western regimes in the South. Besides, being ignored or "justified as systematic violations of human rights and democratic freedoms in order to address asymmetric threats and illegal immigration is not a good policy to promote stability and security in the region. As in other contexts of the EU's external relations, so structures and

representatives from both sides will enhance opportunities for open dialogue and, therefore, democracy. A prerequisite for achieving the EU declared its ambition to appear as a state with an independent effect on international relations, is the recognition among all its members, common interests, ambitions, and most importantly, a new draft interpretation on the basis of principles policy in the Middle East issue: the creation of a Palestinian state and the guarantee the security of Israel. Along with the implementation of the Roadmap, the EU should take initiatives to formulate a comprehensive plan for peace in the Middle East and to establish a stable political fabric of postwar Iraq, in cooperation with the U.S., the only power with immediate influence on all the warring parties. As the demands for greater transparency in decision-making within the EU are becoming greater transparency on issues related to security and cooperation in the Mediterranean raises urgent, since one of the primary goals of BTM is to foster mutual trust. Both the decision-making and management of Mediterranean security should not be exercised unilaterally under an asymmetric governance structure, and without the direct and active role of the Mediterranean partners. Greater involvement of Mediterranean partners in the planning process will create new expectations in the South are? Except for equal participation, and the necessary sense of "co-ownership» (co-ownership) for the renewal of interest in PTBs. On their side by the Mediterranean partners should adopt strategies capable to cope with managing a more balanced system when dealing with the EU, based on the principles of reciprocity, reciprocity and historical reconciliation. In this context, promoting a "new interpretation" of the cultural dialogue through mutual exchanges and mutual understanding of a philosophy, it is necessary to dispel the deeply rooted cultural and historical prejudices. Previously, such images of confrontation provided a convenient excuse to stay on the sidelines of the regional cooperation efforts. Today, "to dialogue" Euro-Mediterranean partners remains the most decisive factor for the emergence of a new crossing between heterogeneous regional actors and the creation of a new round of possibilities for the stabilization of the emerging Euro-Mediterranean system.

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