

13TH ANNUAL CONFERENCE OF THE MEDITERRANEAN COMMISSION OF THE EUROPEAN LEAGUE FOR ECONOMIC COOPERATION - ELEC

Socioeconomic Challenges in a Changing Mediterranean

On the 29 and 30 September the European Institute of the Mediterranean (IEMed) and the European League for Economic Cooperation (ELEC) held the 13th Annual Conference of the Mediterranean Commission of the ELEC “Socioeconomic Challenges in a Changing Mediterranean”, which took place in Tarragona. The conference aimed to bring together expert researchers, representatives of international institutions and multilateral organisations to share ideas and experiences with the objective of enriching the prospects for the future of the Mediterranean region.

Opening Remarks

Josep Poblet, President of Diputació de Tarragona; **Francesc Homs**, President of the Spanish Committee of the European League of Economic Cooperation (ELEC); **Senén Florensa**, President of the Spanish Committee of ELEC; **Josep Fèlix Ballesteros**, Mayor of Tarragona; and **Miguel García-Herraiz**, Deputy Secretary General of the Secretariat of the Union for the Mediterranean

The inaugural session of the conference established the framework of today's situation in the Mediterranean region as perceived by each of the institutions. Thus, four priorities were mentioned.

The need for stabilisation of the region remains a priority to initiate an inclusive and comprehensive reconstruction process in which international cooperation and aid will be absolutely essential

The first is the need for more leadership by international institutions such as the United Nations (UN) and the European Union (EU) in order to mediate in the dramatic armed conflicts in Syria and Libya. The need for stabilisation of the region remains a priority to initiate an inclusive and comprehensive reconstruction process in which international cooperation and aid will be absolutely essential.

This regional element goes hand in hand with a second priority that applies to Europe: the need to implement a more efficient and binding resolution by the EU on asylum and refugee status management. A deadline of 26 September 2017 was set by the EU for member states to ensure the relocation of 160,000

refugees.¹ Unfortunately, most countries have not respected the agreement and now better and faster measures need to be put in place to tackle this humanitarian crisis. This issue demands greater political commitment by the European states as well as other stakeholders involved, or they might end up falling short again.

The third priority is the intensification of foreign direct investment in southern Mediterranean countries. The idea is to reinforce the economic situation of the economies of the south by strengthening their diversification and greater involvement in the regional and global value chain by developing more value added products and services. There was a special mention of the critical need for more support for small and medium-sized enterprises (SMEs) as the private sector must become the driving force of these economies by creating most needed jobs, especially for youths and women.

Finally, a fourth point of discussion was tackled: the need for a more comprehensive, shared and binding agreement on the efficient management of regular migration flows towards the EU.



From left to right: Francesc Homs, Miguel García-Herraz, Josep Poblet, Josep Fèlix Ballesteros and Senén Florensa

¹ Source: UNHCR, "Accommodation Update as of 26/09/2017", <https://data2.unhcr.org/en/documents/details/60058>

While all the points above need to be addressed through the European institutions (in order to ensure better political coherence), participants in the session agreed that there is a chance for European cities to play a bigger role in the management and eventual resolution of these challenges. Nevertheless, the Euro-Mediterranean Regional and Local Assembly (ARLEM) has proven their capacity to bring together local and regional authorities to launch concrete programmes to face common challenges, mostly related to environmental issues, civil protection, education and research. More than ever, there is a need and a strong desire to promote better cooperation between peoples and nations, to foster new projects cemented on the co-ownership approach, and to launch and enhance social and political dialogue mechanisms.

Prospects for Cooperation in the Mediterranean: the Role of Emergent Actors in the New Regional Economic Dynamics

Javier Arias, Head Representative to the EU at the European Affairs Office of BBVA; **Taïeb Baccouche**, Secretary General of the Arab Maghreb Union; **Marc Pierini**, Former EU Ambassador to Turkey, Libya, Syria and Morocco; **Xavier Tiana**, Secretary General of Medcities; and **Roger Albinyana**, Director of the Euro-Mediterranean Policies and Regional Programmes Department at the IEMed

The second session was devoted to presenting concrete experiences and cases of Euro-Mediterranean cooperation and their results as well as the Mediterranean political and social context today. The economic context is certainly complex and goes hand in hand both with the financial crisis that started in 2008 and the political changes that the social movements of 2011 brought with them. Nevertheless, the prospects are encouraging and both north-south and south-south cooperation initiatives are on the rise, although some of them need to turn words into actions. Some pointed out that the lack of true integration between the Maghreb countries is still a major burden for

the economic development and international integration of North African countries. In fact, North Africa is one of the least integrated regions in the world. Some institutions such as the Arab Maghreb Union have frequently pointed out that political conflicts have prevented the region from addressing common challenges together and cooperating to overcome them. Moreover, the Libyan situation does not make dialogue easier and violent extremism has compromised the stability of the region. On the other hand, Libya is currently facing a slow but much needed process of stabilisation and recovery that is generating certain expectations.

The Barcelona Process stated the general and common will to close the gap between the countries and economies of the region but after twenty-five years there is a lot of room for improvement and a quantitative solution (through the ENP) might not be enough

In order to adapt and try to cope with this last decade of changes and uncertainty in the MENA region, the European Union has put great effort into updating its foreign policy instruments by invigorating its cooperation through the European Neighbourhood Policy (ENP), fostered by the European Commission (EC). Like all complex policies and instruments at a regional level, it has had a positive impact on some actors, but others also argue that it has fallen short. The Barcelona Process stated the general and common will to close



From left to right: Xavier Tiana, Taïeb Baccouche, Javier Arias, Marc Pierini and Roger Albinyana

the gap between the countries and economies of the region but after twenty-five years there is a lot of room for improvement and a quantitative solution (through the ENP) might not be enough.

Since its creation, and due to its evolution, the Union for the Mediterranean (UfM) stands as a critical institution with the capacity to enhance cooperation. Through its Secretariat, based in Barcelona, the institution participates and supports hundreds of Euro-Med programmes but also promotes different sorts of south-south dialogue platforms (economic, social, institutional, political...). However, some still see the Euro-Med region's relations as too vertical and asymmetric.

The 5+5 Dialogue, composed of the five Western European countries and the five western North African countries, is another initiative that can play a relevant role in the future, as it has already proven its efficiency in the implementation of bilateral and multilateral cooperation schemes in sectors such as defence, water and security. But the proven success of this initiative, as some pointed out, could be extended to a larger area facing common challenges: the so-called "5+5+5", through the inclusion of the five countries of the Sahel in this dialogue.

There are three elements that can justify this idea. First of all, some North African countries, and this is especially the case of Morocco, have started to play a bigger role in the rest of the African continent, especially in West Africa. At the same time, Morocco is slowly becoming the destination country instead of a transit one for sub-Saharan economic migrants, who at first try to reach Europe. Finally, the idea of cooperation is becoming more an imperative than an option if the challenges that affect the whole region are to be managed effectively. Human security, sustainable social and economic development or regional stability will not be achieved without supranational solutions.

The preconditions for progress were also mentioned. Political stability and the rule of law are indispensable for the success of cooperation in the region and the creation of an area of stability and prosperity. The EU has had a weak role in the

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conflicts happening in the Mediterranean but we are destined to face their consequences too, as has happened with the humanitarian crisis due to the armed conflict in Syria. The role of European governments will be critical, as the effects of the conflict's stagnation will also affect citizens. To develop viable and comprehensive responses and frameworks to these challenges there has to be a greater involvement of European institutions, member state governments, local and regional authorities and civil society. As always, the contribution that can come from the private sector should be taken into account, due to its capacity to affect the economies positively.

The energy sector was presented during the session as a case where cooperation should be promoted to the benefit of all countries. Another paradigmatic case is the management of the refugee crisis and the future of the approximately 1.5-2 million migrants that most probably will not go back to their country of origin. The European Union, Turkey, Jordan and Lebanon, as the main receivers of migrant flows, will have to accept the responsibility and the chance to help them integrate at a social and economic level.

Finally, the role of cities was discussed greatly during the session, as they are increasingly becoming relevant actors in the Mediterranean region. It was noted that "the 21st century will be the century of cities." Some institutions, such as Medcities, have the objective of ensuring a sustainable urban development by developing concrete urban projects and working constantly in contact with local representatives in the region. A key priority in recent years has been the fight against climate change, a challenge whose impact will be equal for all the Mediterranean countries. Better waste management, water scarcity management, mobility, employment and more opportunities for youths as well as urban planning are some of the main priorities pointed out during the session. On the other hand, there is plenty of room for cooperation through the establishment of quality tourism, the commitment to develop more skilled and well-trained youths, the integration of women in the labour market and the support and development of small businesses.

Key Social and Economic Challenges in the Region: Economy, Youth, Women and Migrations

Jaume Lanaspa, Member of the Board of Trustees of “la Caixa” Foundation; **Boutheina Gribaa**, Project Manager of CAWTAR; and **Josep Ferré**, Acting Director General of the European Institute of the Mediterranean



From left to right: Josep Ferré, Jaume Lanaspa and Boutheina Gribaa

The third session of the conference presented the most urgent social challenges facing the Mediterranean region. The current existence of fragile states around the basin, such as Syria and Libya, and their risk of an economic collapse clearly, affects the ability to involve them in the policies and strategies to address social challenges through policy reforms. There has been a clear regression of fundamental rights in some other countries such as Turkey and Egypt that means a direct violation of the previous stated rule of law. The lack of a more organised civil society in several countries was also mentioned as an element that affects the ability of citizens and non-governmental actors to raise their concerns to the political sphere.

Moreover, the speakers pointed out the existence of many social challenges that need to be urgently addressed. Unemployment remains at the top of the list concerning both northern and southern Mediterranean countries. There are many reasons that have led us to the current situation, and while the recent financial crisis just aggravated the situation it is not the origin of the problem. For example, the overall poor quality of the education systems has also been pointed out several times as a problem. There is also a clear skills gap between the training provided by the education system and the real job skills demanded by market.

Speakers reinforced the idea that improving the quality of education is a key element to ensure a better future for the generations to come and has a positive direct impact across all of society. Both formal and informal education have to ensure the inclusion of youth and women, raise the quality of the education provided, and promote the mobility of teaching staff and students, eventually through programmes such as Erasmus+.

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Moreover, the role of women in the public and private sphere was emphasised. In some southern Mediterranean countries up to 40% of women find themselves unemployed while being more than 50% of the total number of people with secondary studies. Leaving out of the labour market half of the potential workforce of a society is not only unfair but an economic waste. To avoid this situation there has to be clear and determined legal and political reforms to address the situation of women's rights. The role of women has to be reinforced and their equitable participation across society guaranteed. Their defence cannot come only from regulations but by promoting the fight against discrimination and certain attitudes at a regional, national and local level.

When talking about discrimination, other figures concerning the intolerance that affects the Mediterranean countries were mentioned. Racism, populism, violent extremism and the lack of respect for fundamental rights are sadly on the rise. Participants agreed that there is an urgent need to promote and strengthen

cultural and social dialogue to confront these challenges. The protection of freedom of the press and journalism and the promotion and development of platforms of dialogue also need to be guaranteed. Institutions such as the Anna Lindh Foundation are working towards those objectives and their work needs to be supported.

Europe – Mediterranean – Africa: Cooperation of the Future, Today

Senén Florensa, President of the Mediterranean Committee of ELEC; **Joaquín González-Ducay**, Head of the EU Delegation to the Republic of Senegal; **Fathallah Oualalou**, Former Economy and Finance Minister of Morocco; and **Javier Albarracín**, Director of the Socioeconomic Department at the IEMed

The last session of the conference focused on the renewed prospect of trilateral cooperation between the European and African continents through the Mediterranean countries. As previously stated, some North African countries, such as Morocco, have found a growing opportunity in their southern neighbourhood. The lack of integration in the Maghreb region has pushed Morocco to opt for diversifying the economy and building bridges with sub-Saharan partners. It is already understood that Africa holds a great potential and has taken major steps towards the sustainable goals.

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In fact, there is an increasing number of economic powers that have seen in Africa big economic opportunities and are thus investing large amounts of foreign direct investment, thereby upgrading their political leverage in the region. The speakers presented the case of China, a country that is rapidly becoming the key economic and productive player in Africa, East Asia and Latin America through extensive investments, both in the private and public sector through a model of co-production.

China seems to have developed a different and more pragmatic approach (“money first”) to the European Union while implementing cooperation with

African countries. Some argued that this contrasts with the “policy first” strategy that the European institutions have seconded from the start of the Euro-Med agreements. In 1995, Europe had a vision for itself and for the Mediterranean and funded what seemed to be the right tools to achieve the goals but, as time has passed, the ideas and principles have been affected by political changes and conflicts and the gap has only widened. It is time to renew the Euro-Med dialogue and also understand that all African countries are also “Mediterranean” in their own way, as most keep looking towards Europe.

Bearing in mind that Africa is neither a political nor an economic reality by itself, most countries on the continent want to be part of the dialogue with Europe and turn the “for Africa” political approach into “with Africa”. Europe does not want to be basically an aid donor anymore but a relevant actor with a bigger social, economic and political role. Both continents are interested in the economic development of the African economies: a strong and growing market favours both sides. There are many socioeconomic challenges that need to be dealt with simultaneously: there is a need to create employment, improve infrastructures and services and develop a free market economy based on the rule of law. At the same time, governments have to guarantee foreign investors that capital will go to clear objectives and ensure legal certainty. If those preconditions are met, the private sector will flourish and help achieve the development goals set.

The countries around the Mediterranean basin can be the catalyst to this progress but they need to step up in order to assume this role. Since the economic and financial crisis in 2008, there has been an economic and democratic degradation that has affected the southern European countries. As a consequence, some countries have become more inward looking, downgrading the Mediterranean as a foreign political priority. The Maghreb countries still see Europe as the primary partner in terms of trade relations, investors, tourism sources and origin of their remittances, but they are increasingly demanding a more coherent and fairer approach when it comes to agreements.

It was also stated that Africa cannot be regarded as a unified, coherent and homogenous reality. There are several sub-regions with their own logics of cooperation schemes, priorities, resources and even international preferences. One can at least define a North African region, a western region, an eastern regional reality and a southern African region. Thus, Africa is not an economic, social or political reality but rather there are African countries, or certain regional dynamics, with huge potential.

Besides that potential, big international players are having certain problems while dealing with these African realities. For instance, although China has become a critical financial, trade and investment partner for many economies in the region, it is also facing increasing tensions due to the strategy many Chinese investments are using, with the allocation of thousands of Chinese workers to build the big infrastructure projects they are constructing on this continent.

What is clear is that new dynamics have been taking place in North Africa and the Sahel in recent years due to the common challenges these countries and economies are facing. A relevant example is the “5+5+5” initiative in which five Sahel countries are sharing ideas and priorities through dialogues with the already consolidated “5+5 Dialogue” in the Western Mediterranean.

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But in order to define the new international cooperation frameworks for the future of Africa, the African elites themselves have to start the change: without their own real commitment to their own people and economies, Africa will not succeed. A clear case is how every year \$50 billion leaves the continent as illicit flows of finance, which is more than the official financial aid for the continent.² It makes

² Report of the High Level Panel on Illicit Financial Flows from Africa 2014, https://www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf

no sense to talk about development when there is no good governance in African institutions.

Finally, a positive emerging trend is the role that the growing involvement of the African diaspora is playing in several of their countries of origin. The human capital that has migrated to other more stable and developed economies, for whatever reason, are increasingly becoming aware of their potential impact when establishing networks of cooperation with their African home countries. And here new digital technologies are playing a critical role as providers of platforms for cooperation in fields such as investment, training and mentoring.



From left to right: Joaquín González-Ducay, Senén Florensa, Fathallah Oualalou and Javier Albarracín

Closing

Ferran Tarradellas, Head of the Regional Office of the European Commission in Barcelona; **Senén Florensa**, President of the Spanish Committee of ELEC; and **Francesc Homs**, President of the Spanish Committee of the European League of Economic Cooperation

Some major constraints such as armed conflicts and economic recessions are greatly affecting the capacity to achieve the fundamental goals of the Euro-Med partnership

The Mediterranean region has a great social and economic potential that has not been fulfilled as per today. Some major constraints such as armed conflicts and economic recessions are greatly affecting the capacity to achieve the fundamental goals of the Euro-Med partnership: the creation of a shared space of peace, prosperity and dialogue between cultures and civilisations. There are many mechanisms and instruments that can be used in favour of this much desired progress, but a greater political commitment and leadership as well as financial resources from international, regional, national and local institutions will be needed.

Unemployment and lack of opportunities for youth and women, social exclusion, migration, economic instability, violent extremism and challenges from the impact of climate change are some of the most relevant problems to be dealt with. The keys to tackle them are dialogue, mutual understanding and especially cooperation between all actors and societies across the Mediterranean as regional problems demand regional solutions if they are to be overcome.

The Mediterranean has extensive know-how and tradition when it comes to cooperation. All of this background, with its successes and failures, should be inspiring when establishing new innovative schemes of trilateral cooperation with actors and stakeholders in Africa. Africa and Europe have great potential complementarities that need to be taken into consideration in win-win schemes and platforms for dialogue.

It is commonly said that the future is in Africa but in order to fulfil this desire, African societies, economies and institutions have to be wise when defining their international cooperation partners and schemes. The right choices will be critical to advance in a fruitful and inclusive common future.