

# CFSP Forum

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## Note from the Editor

Karen E. Smith, London School of Economics, Editor

This issue of *CFSP Forum* considers the relations between the European Union and its Mediterranean neighbours to the south – a topic of critical importance now, as recent events in Palestine illustrate quite dramatically.

Eduard Soler i Lecha opens the issue with an article discussing the outcome and shortcomings of the recent Euro-Mediterranean partnership summit meeting in November 2005. Michelle Pace uses the concept of normative power to examine critically the EU's role in border conflicts in Cyprus and the Middle East, and between Greece and Turkey. The EU's policy of promoting democracy in Palestine and its response to Hamas' recent election victory are then analysed by Nathalie Tocci. The last article, by Federica Bicchì, illustrates the extent to which Euro-Med funding programmes exclude certain actors in recipient countries, namely Islamic-leaning NGOs.

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## Barcelona + 10: Cleavages and Alliances

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In November 2005, Barcelona hosted an extraordinary Euro-Mediterranean summit which was popularly named 'Barcelona + 10'. The place and the dates chosen had a strong symbolism, for ten years earlier and in the same city the Euro-Mediterranean Partnership had taken its first steps. However, before 2005 the Euro-Mediterranean partners had never been convened at the highest level: Barcelona + 10 was the first summit, correcting a historical oddity, since the EU has had summits with other regions such as Africa and Latin America.

The main goal of this summit was to reinvigorate a stagnant framework in which all partners should be working together on a vast agenda encompassing political, economic, social and cultural challenges. There is a huge number of issues that need to be tackled when evaluating the outcomes and shortcomings of Barcelona + 10. The outcomes, both in terms of texts and attendance at the summit, fell short of most observers' expectations.<sup>1</sup> In fact, general expectations were high, perhaps too much so. This article concentrates on what the positions of the main actors in the Barcelona Process were, focusing particularly on the definition of overlapping cleavages and the creation of new and old alliances in the making of the Euro-Mediterranean Partnership (EMP). It concludes by assessing how the pessimistic mood into which some seem to have fallen since the

summit could turn into a renewed energy for the future.

The months preceding the summit were particularly favourable for evaluating the results of the EMP and for making proposals for the future. Civil society and particularly institutionalised networks, such as the Euromed Civil Platform, EuroMeSCo or FEMISE, issued reports with concrete measures to be carried out. The European Commission, the European Parliament and the recently created Euro-Mediterranean Parliamentary Assembly also contributed to this general 'brainstorming'. In addition, a noticeable number of member states issued *non-papers* with more or less innovative proposals for strengthening the EMP. What is more significant, among them we find countries such as Turkey, which made a remarkable contribution to the 2005 debate, having previously been rather passive in this framework.

Some months before the summit, in the Luxembourg Euro-Mediterranean Conference, all the EMP members were even able to agree on common conclusions and not the ordinary Presidency Conclusions as had happened until then. It was expected that the summit would produce common conclusions as well. However, despite the enriching debate that took place, the representatives were not able to do so and it was seen as a failure. Moreover, the absence of most Arab leaders from the summit did not transmit an image of unity. Nonetheless, two texts were adopted: a code of conduct to counteract terrorism and a work programme for the next five years. Importantly, the latter document contains several concrete advances, mainly in the migration and education fields.

In fact, the development of the summit and pre-summit illustrate the need to build a common vision for the Mediterranean, going beyond the newest and oldest cleavages. Three cleavages can be identified: north-south, intra-EU and intra-Arab. Before entering into the details of these cleavages, an initial remark must be made regarding Turkey and Israel. They are officially considered Mediterranean partners, but do not participate in the coordination corridors of the north (EU) and the south (Arab group). Consequently, they are not central actors in the north-south cleavage.

As far as the first cleavage is concerned, we can observe that the Arab and EU groups do not share the same point of view regarding key issues such as democratisation policies or the

definition of terrorism. Due to US agenda-setting, particularly through the Broader Middle East and North Africa (BMENA) initiative, the promotion of democracy has become even more central than before in the relations between the 'West' and the Muslim world. Consequently, it has impacted on the EMP agenda. As we will see below, neither the Arab group nor the EU are monolithic regarding this issue. However, there is no doubt that the EU is more willing to condition part of the funds allocated in the EMP and the European Neighbourhood Policy (ENP) to democratic advances, while the Arab group sustains that the EU should not interfere in the domestic problems of the partners if the EU still conceives of the EMP as a real partnership. In part, several Arab countries' discontentment with their EU counterparts' position can explain some of the absences at the summit. A related matter of discussion is civil society. The EU wanted to enlarge the possible recipients of civil society cooperation, but the Arab countries insisted that the only organisations suitable for receiving funds should be those recognised by their own governments.

There was a harsh debate on the definition of terrorism when drafting the code of conduct to counteract terrorism. The Arab group asked to differentiate the legitimate right to resist occupation from ordinary terrorist attacks while the other members and particularly Israel asked for action against any sort of terrorist act, whatever the causes and justification might be. In sum, a common political vision of the political and security challenges of the Mediterranean basin is lacking, and this has hampered the attainment of far-reaching progress in this field during the last decade and also at the Barcelona summit.

Among the EU member states, the southern ones have had a different approach towards the EMP than the rest. While the latter have prioritised the eastern dimension, the former have tried to strengthen the EU Mediterranean policies, politically and economically. Even though this gap remains, the presence in Barcelona of nearly all of the EU leaders (including all the new member states) shows that the eastern and northern EU members are, in one way or another, committed to the Barcelona Process. It does not necessarily mean that they have internalised it as a national priority but they do understand that it is one of the main priorities of the common foreign policy. However, we can observe a different approach to the issue of democracy. In the internal EU discussions, the Mediterranean EU countries maintained a much more pragmatic approach,

underlying the need to keep stability as a policy goal and that every country has to find its way to democracy. The other EU members, including the new members from central and eastern Europe, were inclined to follow a stricter line in this area.

The financial aspects continue to divide the EU members as well. Countries such as France and Spain would like to see larger sums allocated to the Mediterranean countries and even to the creation of a Euro-Mediterranean Development Bank. Even though the Bank issue was not included on the summit agenda, these two countries as well as some Mediterranean Partners made statements recalling this project. One might note that the idea of creating a bank is not only a matter of raising funds but is also a step forward towards a more structured institutionalisation of the EMP. In this respect, before the summit, several EMP members came up with the idea of launching a permanent secretariat or even creating the figure of a Mr./Ms. Med. However, most northern and eastern EU countries question the efficacy and cost of this move, and, consequently, there is no concrete prospect of going further in this direction, at least for the moment.

Among the Arab group there are two kinds of divisions: one geographical and one political. As for the geographical division we can observe that the Maghreb countries are more inclined to intensify cooperation in sub-regional frameworks such as the 5+5 (which brings together the representatives of Morocco, Algeria, Tunisia, Mauritania, Libya, Spain, Portugal, Italy, Malta and France), which has appeared in the last few years as a successful forum for working on defence and home affairs issues. In contrast, the Mashreq countries do not have such structured fora in the eastern Mediterranean. Moreover, these countries are much more concerned with the Arab-Israeli conflict, and even though the Maghreb countries maintain their fraternal support for the Palestinians, they are not satisfied with the dominance of this conflict on the EMP agenda.

The political cleavage relates to the different efforts that the partners have undertaken in advancing towards more democratic regimes. In this sense, two countries, Morocco and Jordan, as well as the Palestinian National Authority, have shown a stronger commitment to the democratisation agenda. Consequently, these countries are more inclined to support policies such as the ENP that include the principle of differentiation as well as the creation of a governance facility to accompany the partners'

efforts in this area. However, other countries such as Egypt, Tunisia or even Algeria are more suspicious with regard to the ENP and would prefer maintaining a purely regional framework.

Besides the existence of these cleavages, there is a growing tendency to multiply and diversify alliances in the EMP framework. What is more interesting is that these alliances are not circumscribed to the EU or the Arab group but encompass countries from both groups. This is not, certainly, a novelty of 2005. For instance, in the late 1990s, the Egyptians and the Italians initiated cooperation in natural disaster response. Later on, the Egyptians and the Swedish also formed a common front to obtain the headquarters of the Anna Lindh Foundation in Alexandria. However, this kind of north-south cooperation obtained visible success in 2005. The clearest example is the one that made it possible to include the chapter on migration on the Barcelona agenda. This was an initial idea of Morocco and Spain, which France finally joined in on, and they succeeded in persuading the rest of the EMP countries to advance in this area of cooperation and to include the sub-Saharan dimension by calling for the celebration of an EU-Africa meeting on this issue in the summer of 2006. In parallel to the EMP, one should also note that the 'Alliance of Civilisations' project, the result of the increasing cooperation between Madrid and Ankara, has also been welcomed in the EMP arena.

In the current context, particularly after the summit, it is more urgent than ever to find ways to reinvigorate the EMP, particularly because advances in the ENP can undermine the EMP as a pertinent framework for cooperation if it is not able to bring added value. This added value consists in a commonly agreed upon vision of the challenges of the Mediterranean basin and the strength of the very idea of partnership. It is difficult to eliminate the enduring cleavages that have been described above in the foreseeable future. However, there are means to mitigate the impact of these divisions. The diversification of alliances has to be encouraged; proposals coming from groups of countries which include EU and non-EU members have a stronger legitimacy. Cooperation in several areas cannot depend on the agreement of each and every EMP member, and, consequently, cooperation among a restricted group of EMP members (5+5, the Agadir agreement, etc.) has to be supported. However, it has to be accompanied by the creation of common institutions, such as the Bank of the Euromed Secretariat, which would foster the regional dimension. As institutions cannot do

everything, the EMP will also need political will, leadership and increased financial capacities to carry out successfully this project.

Finally, it is necessary to contextualise and compare the outcomes of the Barcelona Summit with other summits that have taken place over the last few years. Criticisms can be levelled against the results and development of the Barcelona summit. It is true that the 5-year action programme or the code of conduct to counteract terrorism are rather vague. However, could one expect such texts to arise from an EU-Africa summit or an EU-Latin America summit? Certainly expectations are higher regarding the Barcelona Process, and this explains the frustration of most observers after the summit. Instead of contributing to this mood of frustration, one could also see in these high expectations the potential for strengthening the EMP in the mid term and long run.◊

<sup>1</sup> See Alvaro de Vasconcelos and Richard Gillespie's articles in the *EuroMeSCo e-news*, no. 2 ([www.euromesco.net](http://www.euromesco.net)) and Muriel Asseburg, 'Barcelona + 10, No Breakthrough in the Euro-Mediterranean Partnership', *SWP Comments*, 55, 2005.

## EU Normative Power in Relation to Border Conflicts\*

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The projection of the EU as a relatively benign actor has been commonplace among academic debates since Duchêne's piece on the then EC's civilian form of influence and action.<sup>1</sup> Although Johan Galtung suggested that the international profile of the EC should be one of 'a nonmilitary superpower',<sup>2</sup> his main assertion contrasted sharply to that of Duchêne, in that he commented on the European Community as a superpower in the making.<sup>3</sup> The early 1970s debate, articulated in the Cold War context, allowed for a definite conception of the 'West' determined by the US as one of the superpowers – and was key in terms of the projection of the EC as a civilian power. The debate was followed by Bull's criticism and Hill's questioning of whether the EC is a civilian or a political power. The timing of Bull's critique, at the height of the Cold War, may explain why he inferred that European actorness was only possible once Europe managed to acquire military capabilities:<sup>4</sup> up until 1989, the EC was very much an enclave.

Writing at the end of the Cold War, when the 'West' no longer faced a common enemy, Hill argued that a civilian 'model' does not use coercive instruments.<sup>5</sup> Post-1989, the EC started to open up to a large number of neighbours: in the post-Cold War environment the debate on civilian power Europe asserted that democratic control and an ethical foreign policy should form the basis of the EC/EU's global reach.<sup>6</sup> Manners' initial consideration of the EU's normative power was primarily economic<sup>7</sup> while Whitman writes that '[T]he recourse to civilian forms of power by the EU has remained despite the changed environment of international relations in Europe with the demise of the cold war overlay and the conflicts in the former Yugoslavia' and that 'EU military power is developing ... as a residual instrument'.<sup>8</sup> Thus, Whitman's main point is that even if the EU acquires military means, the concept of civilian power EU is not necessarily invalidated. Larsen further argues that the discourse that the EU uses to describe itself is one of a civilian power, even though it has now acquired military capabilities.<sup>9</sup> In his reconsideration of normative power, Manners suggests that 'militarization of the EU need not necessarily lead to the diminution of the EU's normative power'.<sup>10</sup> Hence, in this post-Cold War



era, new diverging arguments about the EU and liberal democracy have developed a distinctive construction of the EU's normative power which it seeks to export through integration or association in order to create a wider zone of liberal democracy.

What is striking about this debate is that the concept of civilian/normative power has not been problematised or clearly defined, allowing for the impression that this form of EC/EU power is necessarily a good thing. Smith's advocacy of moving beyond the civilian power EU debate may be the only exception.<sup>11</sup> This brief article argues that the normative power EU (NPEU) debate is up for some serious challenge in that it has failed to note, so far, the *construction* of NPEU and how this construction has empowered/disempowered the EU's political role as a global actor.

A good testing ground for this investigation is the EU's policy on border conflicts. The article draws upon three border conflict cases: the Cyprus problem, the Greek-Turkish disputes and the Israeli-Palestinian conflict. Following the abysmal results in Cyprus of the 24 April 2004 referendum on the Annan Plan, the expected 'catalytic' effect (on the Cyprus problem) of the EU's membership promise failed miserably while it (ironically) worked very well in the Greek-Turkish rapprochement and for Turkey's start of accession negotiations. In the Israeli-Palestinian context, the EU has been left struggling with the dilemma posed by the electoral success of the Palestinian group *Hamas* in the elections of 25 January 2006. It has attracted widespread criticism from within Palestine but also the wider Muslim world for advocating democracy and then refusing to accept the results of the democratic process by rejecting contact with elected representatives. These cases show that the construction of EU normative power requires some serious reflection and soul-searching in the EU. The contention in this article is that understanding how EU normative power is constructed may help us acknowledge the limits of the EU's global reach based on such a construction.

First, substance. Constructions of NPEU translate into an ethos of impartiality, a common reference point for conflict parties which creates obligations on the part of the EU as well as conflict parties. EU Special Representative for the Middle East, Marc Otte, has opted for behind-the-scene efforts through regular meetings with Israeli officials, middle-rank leadership actors (academics, think tank representatives, etc) and civil society

groups to enhance the EU's image in Israel, making the EU an acceptable broker to both parties to the conflict and establishing a relationship of trust. In this case, the EU's impartiality is particularly important in achieving a favourable outcome for both sides, given the importance of a continuing relationship with the EU in other areas, especially Israel's (as well as Palestine's) economic relations with the EU. What is questionable is the extent of the relationship between impartiality and the liberal values that underpin the EU's approach. If the approach is one of common security (with preferred departures, values to be pushed for and not settled on beforehand, etc) then perhaps one could speak of impartiality. However, the liberal narrative in NPEU projections locks in advance what it implies to be a force for good – and the approach is in this sense far from impartial.<sup>12</sup>

Second, environment. Representations of NPEU are also facilitated through and guided by the norms of international law. In this context, EU actors have repeatedly condemned Israel's confiscation and/or razing of land and property for the purpose of establishing settlements to be populated by Israeli nationals. This they can do on the basis of the Fourth Geneva Convention, Article 49, paragraph 6. But no EU sanctions follow up violations of these laws because NPEU constructions do not tally with coercive EU action.

This brings us to the limits of NPEU projections: power imbalances are endemic between conflict parties as well as between the EU and one or both conflict parties. This asymmetry in power relations in turn affects processes and any desired outcomes that constructions of NPEU are aimed at. The power asymmetries between the Israeli and the Palestinian parties in the Middle East conflict as well as a lack of conflict parties' identification with the EU in this case is well acknowledged in most accounts on this conflict.<sup>13</sup> The US's unequivocal support for Israel's security, the EU's financial assistance to Palestinians and the imbalanced capabilities of external actors create different power constellations which often hamper constructive conflict management possibilities through NPEU projections. The danger in such cases is that power asymmetries limit NPEU projections and may lead to what Paul Rogers terms as 'lidism', measures aimed not to address the underlying issues but to keep the lid on.<sup>14</sup> For instance, as high contracting parties to the Geneva conventions, the EU – as the main donor to the Palestinians – is obliged to ensure Israel's compliance with international law. None of this has happened thus far. Instead, EU aid has rendered the occupation cost-free.<sup>15</sup>

This does not mean that there are no critical voices urging more EU action when violence escalates in conflict areas. However, a more military EU will mean redefining constructions of NPEU to include military action.<sup>16</sup> Yet, the Strategic Doctrine of 2003<sup>17</sup> reveals that even in the military/security sphere, there are traces of the EU aspiring to project its image as a force for good and as an entity that remains loyal to its own normative ground - rather than abide by far more (*realpolitik*) power, political departures.<sup>18</sup> But such limited NPEU capabilities have their own consequences. In the Cyprus case, the Turkish-Cypriot society was acting on the certainty that they were to be rewarded if they adopted EU norms (in the run-up to the referenda on the Annan Plan, April 2004). The Greek-Cypriots, on their part, acted on the guarantee and credibility of membership (with or without unification of the island). Constructions of NPEU in this case created a mismatch of expectations on the two sides of the island. Moreover, the Greek-Cypriots did not perceive the EU's ability to punish their negative vote for the Plan as a possible threat.<sup>19</sup> With legitimacy on their side, as a democratic country its leaders could use rhetorical action and social influence to put normative and moral pressure on any reluctant EU member states - the use of the right to property of Greek Cypriots in the north. They also framed accession as an issue of EU identity - Cyprus invoked the principles of liberal community and pointed to its achievements in adopting these principles.<sup>20</sup> Thus, Greek Cypriots conceptualised representations of NPEU as an instrument to further their own cause.<sup>21</sup> When the Greek Cypriots voted no for the Annan Plan, the EU's fundamental norms were violated - the effect of projections of NPEU shed a higher salience and higher moral pressure on EU member states to intervene, and to regain legitimacy they offered the Turkish-Cypriots a €259 million pledge for development of the north (as this action was in line with NPEU projections of development = peace). But the 'punishment' for the Greek-Cypriots did not follow the same constitutive norms which EU member states abide by - Cyprus joined the European Union on 1 May 2004. This move was in turn interpreted in Cyprus as well as Turkey as an unequal and partial treatment of the conflict parties on the ground - which blurred the EU's image as a force for good. In this case, EU actors did not evaluate the rule adoption of both conflict parties (Greek-Cypriots and Turkish-Cypriots alike) impartially on the basis of EU constructed liberal, political conditions. In this manner, the EU weakened the normative consistency of the

threat to deny membership (in cases where constitutive rules are not adopted) as well as its construction of NPEU as a force for good.

Thus, representations of NPEU by EU actors create a sense of a self-fulfilling prophecy. This has been the case in the opening of negotiations with Turkey (and some of the Balkan states). In these cases, the EU had to open negotiation talks as otherwise it would have undermined the very *raison d'être* on which it stands - what it is bound with - which in turn empowers the 'Other' to make claims on what they have been promised.<sup>22</sup> The framing of the EU as a force for good made it very difficult for EU member states to reject enlargement to include Turkey on legitimate grounds. Although Turkey's reward of membership at the end of its reform process is much less certain than for other candidates, it has the possibility to turn to rhetorical action. Consequently, the imposition of EU norms on conflict parties also conditions the power of NPEU. The effects of NPEU constructions thus ensure that promises of membership are kept even in the face of continued scepticism by any member state governments and/or societies (Austria in the case of Turkey's accession) and in face of challenging negotiations on the institutional and policy reforms necessitated by Turkey's accession.

Thus, the power of NPEU projection is based on an assumption that through international socialisation - a process driven by the logics of appropriateness and arguing - conflict parties can be induced to accept the internalisation of international norms. In this way, conflict parties are led to adopt the constitutive rules of the EU. While this has worked to a certain extent in the case of Greece and Turkey, the cases of Cyprus and Israel/Palestine defy such NPEU constructions.◇

\* This article builds upon research conducted for a research project on 'The EU and Border Conflicts: The Impact of Integration and Association' (EUBorderConf), funded by a grant from the European Union's Fifth Framework Programme (SERD-2002-00144), with additional funding by the British Academy. Visit: [www.euborderconf.bham.ac.uk](http://www.euborderconf.bham.ac.uk)

<sup>1</sup> F. Duchêne, 'The European Community and the Uncertainties of Interdependence', in M. Kohnstamm and W. Hager, *A Nation Writ Large? Foreign-Policy Problems before the European Community* (London: Macmillan, 1973).

<sup>2</sup> Quoted in M. Lister, *The European Union and the South: Relations with Developing Countries* (London: Routledge, 1997), p. 20.

<sup>3</sup> J. Galtung, *The European Community: A Superpower in the Making* (London: George Allen & Unwin, 1973).

<sup>4</sup> H. Bull, 'Civilian power Europe: A Contradiction in terms?', *Journal of Common Market Studies*, Vol. 1-2, 1982 pp. 149-164.

## Has the EU Promoted Democracy in Palestine...and Does it Still?

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Since the late 1990s, the EU has become increasingly vocal about the need for democracy and good governance in Palestine. Echoing Palestinian calls for reform since the mid-1990s, the Union became engaged with the nature and functioning of the Palestinian state-in-the-making in 1999, well before both the US and Israel.<sup>1</sup> To pursue these aims, the Union has deployed diplomatic instruments, as well as bilateral aid and trade policies. The Palestinian Authority (PA) is also included in the nascent European Neighbourhood Policy (ENP) and the Palestinian ENP Action Plan explicitly states that one of its primary objectives is promoting the PA's political and economic reform agenda.<sup>2</sup>

Compared to other cases in the southern neighbourhood, the EU can pride itself of relative success when it comes to strengthening Palestinian democracy and good governance between 1999 and 2005. EU aid to the Palestinians has risen progressively since the 1990s, reaching almost €300m per year by 2005 (€500m if member state contributions are included). Particularly since the eruption of the second intifada, the Union has gone the extra mile to assure that EU funds have not been redirected to finance political violence.<sup>3</sup> Moreover, aid has been disbursed conditionally particularly since 2001, and performance has been monitored both by the Commission and by International Financial Institutions (IFIs) present in the region. EU conditionality, diplomacy and targeted assistance have contributed to several Palestinian reforms since 2002, including the adoption of the Basic Law and the Law on the Independence of the Judiciary in 2002, and progress in the management of public finance (by raising transparency and shifting fiscal control from the presidency to the finance ministry).

There have also been limits to the EU's positive influence on Palestinian reform. Despite much EU pressure, the 2003 creation of the prime minister's post did not come with its effective empowerment, as most control remained in the president's hands. Despite the law on the

<sup>5</sup> C. Hill, 'European foreign policy: power bloc, civilian model – or flop?', in R. Reinhardt (ed.), *The Evolution of an International Actor. Western Europe's New Assertiveness* (Boulder: Westview, 1990).

<sup>6</sup> H. Smith, *European Union Foreign Policy: What It Is and What It Does* (London: Pluto Press, 2002).

<sup>7</sup> I. Manners, 'Normative Power Europe: A Contradiction in Terms?', *Journal of Common Market Studies*, Vol. 40, No. 2, 2002, pp. 235-258.

<sup>8</sup> R. Whitman, 'The Fall, and Rise, of Civilian Power Europe?' Australian National University, National Europe Centre Paper No. 16, 2002, pp. 24 and 25.

<sup>9</sup> H. Larsen, 'A Global Military Actor'? *Cooperation and Conflict*, Vol. 37, No. 3, 2002, pp. 283-302.

<sup>10</sup> I. Manners, 'Normative power Europe reconsidered: beyond the crossroads'. *Journal of European Public Policy*, Vol. 13, No. 2, 2006, pp. 182-99.

<sup>11</sup> K.E. Smith, 'Beyond The Civilian Power EU Debate'. *Politique européenne*, No. 17, Autumn 2005, pp. 63-82.

<sup>12</sup> P. Joenniemi, 'Towards A European Union Of Post-Security?'. *Cooperation and Conflict*, special issue 2006, forthcoming.

<sup>13</sup> D. Newman and H. Yacobi, 'The EU and the Israel-Palestine conflict', in T. Diez, S. Stetter and M. Albert (eds) *The European Union and Border Conflicts: The Impact of Integration and Association* (forthcoming).

<sup>14</sup> H. Richards, 'Peace Studies in our time: Interview with Paul Rogers', *The Education Guardian*, 2 January 2006, p. 11.

<sup>15</sup> G. Karmi, 'With no Palestinian state in sight, aid becomes an adjunct to occupation'. *The Guardian*, 31 December 2005, p. 26.

<sup>16</sup> Manners 2006.

<sup>17</sup> Council of the European Union (2003) A Secure Europe in a Better World. European Security Strategy. Brussels, 12 December, available at: <http://ue.eu.int/pressData/en/reports/78367.pdf>.

<sup>18</sup> Joenniemi 2006.

<sup>19</sup> O.P. Richmond, 'Shared Sovereignty and the Politics of Peace: Evaluating the EU's 'catalytic' Framework in the Eastern Mediterranean', *International Affairs*, Vol. 82, No. 1, 2005, pp. 149-76.

<sup>20</sup> F. Schimmelfenning, S. Engert and H. Knobel, *International Socialization in Europe. European Organizations, Political Conditionality and Democratic Change* (Basingstoke: Palgrave Macmillan, 2006).

<sup>21</sup> B. Rumelili and T. Diez, 'Beware of the Spoilers: Greece, Cyprus and Turkey's Europeanization Process', Paper presented at the conference on Europeanization and Transformation: Turkey in the Post-Helsinki Era, Koc University, Istanbul, 2-3 December 2005.

<sup>22</sup> T. Diez, 'Constructing the Self and Changing Others: Reconsidering "Normative Power Europe"', *Millennium: Journal of International Studies*, Vol. 33, No. 3, 2005, pp. 613-36.

independence of the judiciary, an effective separation of powers between the executive and the judiciary has not been achieved, and EU actors have largely neglected pending deficiencies in this sector since 2002. In the fiscal domain, despite greater transparency, little has been done to influence fiscal policy. Moreover, despite the World Bank's wage-bill containment plan (endorsed by the EU in its conditionalities), the PA nonetheless engaged in uncontrolled public sector hiring and rising salaries. In late 2005, this triggered the EU's withholding of €35m euros to the PA, as part of the World Bank's Trust Fund.<sup>4</sup>

The EU's record between 1999 and 2005, while mixed, has nonetheless been positive in important respects. Far more debatable has been its position prior to and following the Palestinian parliamentary elections on the 25 January 2006. In December 2005, as the secular camp (Fatah) degenerated into chaos and violence, CFSP High Representative Javier Solana threatened to withhold EU aid to the PA in the event of a Hamas victory.<sup>5</sup> The High Representative's threat was intended to weaken Hamas' popularity, given the Palestinian economic dependence on EU funds. Yet it largely backfired, empowering Hamas further in its stance against the status quo.

The 25 January parliamentary elections led to the victory of Hamas. The 'Change and Reform Platform' won 74 seats in the 132-seat Palestinian Legislative Council (PLC), compared to Fatah's 45 seats. Following the elections, the international community began debating its appropriate response. Israel and the US have opted for isolation, aimed at undermining a future Hamas administration. Israel has withheld the transfer of \$50m monthly Palestinian VAT and customs revenues, in violation of the 1994 Paris economic protocol. The US has suspended aid and asked President Abbas to return \$50m of disbursed US assistance.

Compared to Solana's threats in December 2005, both the EU Council of Ministers and the Commission have toned down their rhetoric, accepting that the elections were free and fair (as reported by EU monitors), and waiting to judge the formation and conduct of the new PA government. In the meantime, the Union has decided to disburse \$143m to the PA and UNRWA. In addition, France has backed the Russian initiative to hold talks with Hamas, and the EU, collectively, has criticized Israel's decision to withhold PA customs revenues. The EU has embraced the notion of conditional engagement. The General Affairs Council set out several conditions for the EU's future dealings with the

PA.<sup>6</sup> It has urged Hamas to disarm, to renounce violence and terrorism, and to recognize Israel's right to exist. It has also stated that EU aid to the PA would continue as long as the new government accepted previous agreements between Israel and the PLO, accepted negotiations with Israel, and committed itself to the rule of law, reform and sound fiscal management.

The logic of conditional engagement is compelling for two principal reasons. First, the alternative of suspending aid risks empowering Hamas further vis-à-vis the Palestinian public, estranging the Palestinians from the EU and undermining the accountability of PA funds. Moreover, withholding aid could trigger a collapse of the PA, obliging Israel to undertake the financial responsibilities that derive from its legal status as occupying power. Such an outcome would be far less in EU (and Israeli) interests than in the interests of Hamas. This is because of the EU's commitment to a two-state solution and Israel's prerogative not to rule directly over the Palestinians and extend political rights to them. In addition, suspending assistance would harm the PA without necessarily affecting Hamas itself, in so far as the latter has never been dependent on EU monies. Particularly since the inclusion of Hamas on the EU's terrorist list in 2003, Hamas has had no official contact with, let alone financial support from the EU. Hamas has relied on alternative sources of finance, and immediately after the elections it has activated itself to secure funding from Iran, the Arab world (mainly Saudi Arabia and the Gulf states), as well as non-Arab Muslim countries such as Indonesia, Malaysia and Turkey, although these are unlikely to reach the levels of EU and US aid, even if they were to be forthcoming.<sup>7</sup>

Second, conditional engagement may be a more effective strategy to influence and mould Hamas, if the Islamist faction is viewed as a politically pragmatic 'limited spoiler' rather than an unmoveably ideological 'total spoiler'.<sup>8</sup> Evidence suggests that the former definition best captures the nature of Hamas.<sup>9</sup> Hamas has for years mentioned its acceptance of a long-term (twenty years) truce in the event of the establishment of a Palestinian state on the 1967 borders and the recognition of Palestinian refugee rights. Since 2004, municipalities under its control have not revealed any marked tendency to impose the vision of an Islamist society. Over the course of 2005, Hamas has been far more successful than Fatah in adhering to the ceasefire, given its organisational capability to enforce it. Hamas'



elites have debated for months their possible revision of the Hamas charter, purging it of outright anti-Semitic statements.<sup>10</sup> Hamas has not ruled out negotiations with Israel and it has hinted at the possibility of recognizing Israel (albeit not as a Jewish state), upon the latter's recognition of Palestine.<sup>11</sup> This is not to say that Hamas represents an ideal peace partner – quite the contrary. Particularly in its stance on violence, Hamas' current restraint does not derive from an ideological shift in its position, but rather from a temporary decision determined by political expediency. However, it is to say that Hamas' positions have revealed to be sensitive to changing political conditions, and thus potentially amenable to external influence.

However, the precise formulation of EU conditions is questionable on political and legal grounds. Politically, there are two main causes for concern. First, the EU's current demands risk undermining previous EU policies to ensure greater separation of powers both within the executive and between it and other branches of government. Having exerted much effort in creating and empowering the post of prime minister, and shifting the control of PA finances and security from the presidency to the Ministry of Finance and the Ministry of the Interior respectively, the EU now appears to be conducting a U-turn. The underlying aim seems to be that of empowering President Abbas at the expense of a future Hamas government. Yet this would not only undermine the views expressed by the Palestinian electorate, but also reconstitute a highly centralised system hinging on the presidency, which was much criticised during Arafat's rule.<sup>12</sup> Second, while a future Hamas government is rightly called upon to recognise the legitimacy of and honour previous agreements, it cannot be denied the right to re-evaluate Palestinian strategies vis-à-vis a peace process which has notoriously failed to deliver the national objective of a Palestinian state.

Legally, several distinctions need to be made, adding to the legitimacy of some conditions and the inadequacy of others. Hamas, as a political faction, has entered PA institutions (the PLC, and the executive following the formation of a government), whose legality rests on the 1994 Oslo accords. It follows not only that Hamas is rightly called upon to recognise those international agreements, but also that it has implicitly already done so by entering the PA. Equally legitimate is the call to end Hamas violence. If political violence, and in particular acts of terrorism, are carried out by a Hamas government, this would entail a violation of

international law,<sup>13</sup> as well as the constitutive laws of the PA, which renounce the use of violent resistance. If instead Hamas were to carry out acts of violence outside the confines of the PA, it would violate the constitutive laws of the PA calling for the Authority's monopoly over Palestinian force. When it comes instead to the recognition of Israel, or the acceptance of negotiations and political commitments made in the context of the Middle East Peace Process (MEPP), then conditionality on Hamas targets the inappropriate political subject. The recognition of Israel and negotiations with it is a matter for the PLO, of which Hamas is not a member, and which has already accepted the notion of a two-state solution in 1988. Likewise, negotiations with Israel (stalled since 2001 due to Israel's refusal to engage in them) are conducted by the PLO and not by the PA.

The EU's turn to conditional engagement rests on a sound logic, and holds the potential to influence the new Palestinian government in a manner that is conducive both to democracy in Palestine and to peace in the region. But to fulfil their potential, EU conditions require further thought and specification. Relying on international law and the constitutive laws of the PA to formulate accurate political conditions on Hamas and the new Palestinian government seems to be the best route to ensure the legitimacy and effectiveness of the EU's future policies in Palestine. ♦

<sup>1</sup> The Commission's first recommendations were drawn from the work of the Task Force on Palestinian Reform, chaired by Michel Rocard and Henry Siegman, and commissioned and financed by the European Commission. Yezid Sayigh and Khalil Shikaki, *Strengthening Palestinian Public Institutions*, Task Force Report, Council of Foreign Relations, New York, 1999.

<sup>2</sup> European Commission, 'Proposed EU-PA Action Plan', Brussels, 9 December 2004, p. 1, available at [www.europa.eu.int](http://www.europa.eu.int)

<sup>3</sup> European Commission, *Statement to the EP's Foreign Affairs Committee on EU Budgetary Assistance to the PA*, 19 June 2002, Doc. SPEECH/02/293.

<sup>4</sup> In view of deteriorating economic conditions in the Occupied Territories and the accompanying increase in salaries and recruitment of former militants in the security sector, the PA's deficit reached \$1bn in early 2006, and it risked defaulting on payments to 130,000 employees (see 'World Bank Foresees PNA's Budget Deficit to reach \$1bn', *IPC*, 23 January 2006). This triggered the Commission's suspension of aid in early January 2006 (see 'EU Says Donations to the PNA could not be unconditional', *Palestine Media Centre*, 18 January 2006).

<sup>5</sup> In the autumn of 2005, tensions within Fatah escalated, culminating in the split between the 'old guard' and the 'new guard' (named 'the future' *el-mustaqbal*). The split occurred after rising tensions and lawlessness in the Occupied Territories, and the inability of the PA to quell Fatah hooliganism and violence.

<sup>6</sup> General Affairs Council, 2706<sup>th</sup> Meeting, Brussels 30-31 January 2006, *Press Release*, (Presse 22).

<sup>7</sup> See Ghazi Hamad, 'Sit and Talk', *Bitter Lemons*, 6 February

2006. However, it should be noted that especially pro-American states in the Gulf would be hard-fetched to finance a Hamas government if strongly opposed by the US.

<sup>8</sup> Stephen John Stedman, 'Spoiler Problems in Peace Processes', *International Security*, Vol.22, No. 2, 1997, pp.5-53.

<sup>9</sup> See ICG, 'Enter Hamas: The Challenges of Political Integration', *Middle East Report*, January 2006.

<sup>10</sup> Orly Halpern, 'Hamas working on a new Charter', *The Jerusalem Post*, 16 February 2006.

<sup>11</sup> See the Washington Post's interview with Ismail Haneyeh, 'We do not wish to throw them into the sea', *The Washington Post*, 26 February 2006.

<sup>12</sup> Craig Smith, 'Europeans suggest directing aid to Abbas', *New York Times*, 24 February 2006.

<sup>13</sup> Protocol 1 of the Geneva Conventions governing the laws of national liberation prohibit attacks against civilians, and attacks whose primary purpose is that of spreading terror.

## Want Funding? Don't Mention Islam: EU Democracy Promotion in the Mediterranean

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As the state of democracy in the Middle East and North Africa remains very much on the international agenda, the EU has emerged as an important player in the promotion of democracy and political reforms.<sup>1</sup> Since the mid 1990s, it has established programmes explicitly targeted to the promotion of democracy and human rights, while integrating democratic principles as essential components in the new generation of Euro-Mediterranean Association Agreements.

While evidence of the EU's involvement has increased, a question has emerged: who, exactly, are the targets of the EU's action? There has been a lot of talk about the importance of civil society, but does this correspond to the way in which the EU spends its money? More specifically, Islamic organisations have emerged as one of the main source (if not the main source) of opposition in Arab countries. How does the EU deal with them? Is democracy promotion engaging with them as part of civil society with a democratising effect?<sup>2</sup>

The evidence that I will briefly review here, with a special emphasis on the case of Morocco, highlights that the EU in fact prefers not to engage with Islamic organisations, regardless of how moderate or how central they are to the social and political scene of Mediterranean Arab countries. Governments remain a key partner in EU democracy promotion, and when action explicitly targets civil society, Islam-leaning organisations still remain outside the EU remit. While this does not necessarily prove the lack of effectiveness of EU democracy promotion, it does show a limited capacity of the EU to deal with all the social and potentially political actors in Muslim countries.

The legislative framework for EU aid is complex and tends to take its cue from the European Commission. Most of the funds disbursed by the EU to Mediterranean non-members are conveyed through the bilateral channel of MEDA, until the end of 2006.<sup>3</sup> As foreseen in MEDA II, priorities for the allocation of funds are decided in Brussels and expressed through

Country Strategy Papers (valid per 4 years), National Indicative Programmes (valid per 2 years) and Annual Financial Plans. In the drafting process, Mediterranean partners are consulted, though their opinions are not binding. The power of member states too, with the MEDA II regulation, has been curtailed once the Annual Financial Plan has been prepared by the Commission. These documents thus reflect very much the approach of the Commission and are implemented mostly by the Commission's Delegations in Mediterranean partner countries.

MEDA is heavily biased in favour of public actors and most notably of governments of Mediterranean partners, in spite of attempts to broaden the range of actors involved.<sup>4</sup> The legislative basis for bilateral funds, which make up 90 per cent of the overall MEDA amount, consists of a Financing Framework Convention signed between the Commission (EuropeAid) and the relevant Ministry/ies in Mediterranean partners. Therefore, the inclusion of NGOs within the scope of EU aid is filtered through the preferences of national governments of Mediterranean non-members, thus leaving to them the choice between inclusion and exclusion of Islam-leaning organisations.

For instance, in the case of Morocco, the National Indicative Programme for 2005-06 has a section devoted to NGOs, but the basis for the relationship is still the government. Human rights and democratisation are among the priorities set and are allocated 5 million euros (or 1.8 per cent) out of 275 million euros that compose the MEDA budget for Morocco for 2005-06. They are split in two activities. The first activity is support for the drafting of a national plan for democracy and human rights, as called for by the Commission's Communication in 2003.<sup>5</sup> It is granted 2 million euros. The beneficiary is the Centre for Documentation, Information and Training on Human Rights (CDIFDH), a national institution established by Morocco and the UN High Commissioner for Human Rights, to which the UNDP also contributes. Although the Delegation in Morocco has insisted on a wide inclusion of Moroccan NGOs, the final decision remains with Moroccan public authorities. The second activity, funded with 3 million euros, is more vaguely defined ('Strengthening of Moroccan civil society organisations working for democracy and human rights') and misleadingly indicates Moroccan NGOs as among the beneficiary institutions. The truth is, however, that the 'parallel' beneficiary institution, the Ministry for Employment and Social Affairs, is in charge of selecting and funding activities. Once

again, the choice for participation or exclusion of Islamic-leaning NGOs is left with the Moroccan monarchy.

If we draw the lesson from the experience of Morocco, the bilateral channel of MEDA is thus designed and managed by the Commission in such a way as to privilege the established regime, rather than to reach out to potential opposition groups. Through MEDA, the EU has left the selection of NGOs to central public authorities, which in most cases well before 9/11 have made a choice against forms of Islamist participation.

The EU also disburses money directly to NGOs, but there too Islamic-leaning NGOs are *de facto* not included, if not outright excluded. The main channel for this form of decentralised co-operation was, for the period 1996-2000, MEDA Democracy, under the umbrella of European Initiative for Democracy and Human Rights (EIDHR). Since 2001, geographical distinctions of the EIDHR have been abolished and Mediterranean countries receive funds allocated according to sectoral priorities. The rationale for establishing this direct form of support for NGOs is grounded in the idea that NGOs offer a crucial contribution to the 'development of a democracy that upholds political, civil, economic, social and cultural rights.'<sup>6</sup> In practice, however, while the definition of civil society is broadly put in terms of actors not controlled by the state or by governmental institutions, the allocation of funds once again is stacked against Islamic-minded NGOs, as we are going to show for the case of Morocco.

MEDA Democracy, marred by a host of EU internal problems, was not in a position to make an impact.<sup>7</sup> Moreover, it tended to privilege partnerships between European NGOs and local NGOs, the idea being to encourage the exchange of experience of NGOs in the participating countries. This however in practice meant that European NGOs created 'chapters' on the ground or organised activities to address human rights and democracy in and on single countries, and by doing so received the biggest share of funds.

Until recently, Morocco was not considered a 'focus country' under the EIDHR and thus received a limited amount of funds.<sup>8</sup> Between June 2003 and May 2004, Morocco benefited from a regional project on the role of women targeted to the Maghreb countries, on top of the well established Masters programme in Malta. In 2004, for the first time, the Commission opened up the possibility of funds targeted at local

NGOs, thus excluding external actors that would generally be favoured in the allocation of resources. It specified that 1 million euros was earmarked to Moroccan NGOs, for microprojects targeted at strengthening the capacities of NGOs working on human rights, freedom of expression, and advocacy for rights of women, children and prisoners. As a consequence of this expression of interest, the Delegation issued a call in 2005 for microprojects, which selected 11 Moroccan NGOs.<sup>9</sup> None of them was linked to pro-Islamic movements. A similar call is foreseen for March 2006.

The meaning of this string of figures is that, despite a lot of talk about civil society, the case of Morocco shows the way in which the EU tends not to include pro-Islamic representatives in the activities it funds for human rights and democracy promotion. In Brussels, officials do admit to a problem existing in the implicit tension between a call for more inclusion, but a desire to limit participation on the ground. As one of them candidly said, 'the problem with allocating aid to local NGOs is that some of them are linked to Islamist movements.'<sup>10</sup> The Delegation in Morocco, while cautious in its doings, emphasises the practical limitations that all local NGOs encounter when preparing an application for macro projects or more generally for managing projects according to complex EU criteria. All local NGOs need support and also a degree of prodding by Delegation's officials to draft an application, and Islamic NGOs have never applied for funds in Morocco. At the same time, officials in the Delegation are aware that Islamic-leaning NGOs are well rooted on the ground and carry out a broad variety of tasks, thus qualifying for any possible definition of civil society. According to one official, 'it is a matter of time' before the EU has to engage with them.<sup>11</sup> The kernel of the matter is the fact that the EU – in its democracy promotion profile – has not yet decided how to address pro-Islamic representatives of civil society, and is trying to avoid the issue for as long as possible.<sup>12</sup>

Time might be running out, though. The election in January 2006 of a Hamas-dominated 'Parliament' in the Palestinian Authority represents a true test for the Europeans. On the one hand, according to the EU terrorist list, Hamas is a terrorist organisation. On the other hand, it has been elected in a relatively free and fair process, as

rarely seen in the region. The US position has been to reject outright the possibility of negotiating with Hamas as long as it does not recognise Israel and renounce violence. The EU position, while echoing the US and Israeli concerns, has been more nuanced. As the main donor to the Palestinian Authority, the EU is well aware of the consequences of an interruption of funds. Therefore, its first answer has been to put pressure on Hamas to recognise Israel and renounce terrorism, but without any specific deadline attached to it.<sup>13</sup> Once again, the EU is buying time to avoid reconciling its different voices into a single framework. If it does end up funding the PA under a Hamas government, this might in turn lead to a reappraisal of its democracy promotion strategy across the Mediterranean. ♦

<sup>1</sup> For a review of the main developments, see R. Youngs, *The European Union and the Promotion of Democracy* (Oxford: Oxford University Press, 2001).

<sup>2</sup> The debate about whether to consider Islamic organisations as part of civil society has flourished. For a critical review see S.L. Yom, 'Civil Society and Democratization in the Arab World', *Middle East Review of International Affairs*, vol. 9, no. 4, 2005, pp. 18-21.

<sup>3</sup> The regulation in place until 2006 is the so-called MEDA II, approved in 2000 (Council Regulation (EC) n.2698/2000), amending the MEDA Council Regulation (EC) 1488/96. After 2006, the financial instrument connected to the European Neighbourhood Policy (ENP) will enter into force.

<sup>4</sup> On this, see E. Philippart, 'The MEDA programme: analysis of the new design of EU assistance to the Mediterranean', in F. Attinà and S. Stavridis (eds), *The Barcelona Process and Euro-Mediterranean Issues from Stuttgart to Marseille* (Milano: Giuffrè, 2001).

<sup>5</sup> Communication from the Commission to the Council and the European Parliament, Reinvigorating EU actions on Human Rights and democratisation with Mediterranean partners. Strategic guidelines, COM (2003)294 final, Brussels, 21 May 2003.

<sup>6</sup> European Commission, *About the EIDHR*, Brussels, 2004.

<sup>7</sup> Youngs 2001.

<sup>8</sup> 'Focus countries' in the Mediterranean and the Middle East were Algeria, Gaza and the West Bank, Iraq and Tunisia.

<sup>9</sup> They are Amicale Marocaine des Handicapés, Association Atlas-Sais, Association démocratique des Femmes du Maroc, Association Horizon de Femme et Enfant, Association Tanmia Maroc, Fondation Zakora, Forum DES ONG du Nord du Maroc, Organisation Marocaine des Droits Humains, Réseau des associations de la réserve de Biosphère Arganeraie, Union de l'Action Féminine Tétouan, Union des associations et des amicale humanitaires de Fès Médina.

<sup>10</sup> Phone interviews, DG Relex, February 2006.

<sup>11</sup> Phone interview, Delegation of the European Commission, Rabat, February 2006.

<sup>12</sup> For a similar argument, see S. Stetter, 'Democratization without Democracy? The Assistance of the European Union for Democratization Processes in Palestine', in A. Jünemann (ed.), *Euro-Mediterranean Relations After September 11* (London/Portland (OR): Frank Cass, 2003), pp. 153-73.

<sup>13</sup> See press release, 2706<sup>th</sup> Council Meeting, External Relations, 30-31 January 2006.



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