

18 May 2009

## MEDITERRANEAN 2030

### PREPARATION FOR THE PARIS SEMINAR ON 25 TO 27 JUNE

#### PROPOSITION FOR METHODOLOGY AND TIMETABLE

On 21 April, IPEMED launched the "Mediterranean 2030" foresight project. It did so in collaboration with the Euro-Mediterranean study bodies, Plan Bleu, CIHEAM, the Mediterranean Energy Observatory, FEMISE and CARIM, along with public national institutions that focus on forecasting in the countries of the region.

The objective is to work in the long term, over a period of several years – a continuous process rather than a media "coup". The idea is also to work together rather than to juxtapose national forecasting studies. Constructing a common region involves going beyond national approaches, which, although necessary, are insufficient in an era of globalization. Lastly, the aim is to closely associate North and South, rather than to undertake a technocratic exercise dispensed from Europe.

The anticipated outcome is a document, to be signed by all the stakeholder institutions, which will present alternative scenarios for the region, and will be handed to heads of State when they meet at the second UpM Summit in the summer of 2010. It will therefore be a decision-making aid that uses strategic information to prepare the future. Because without this kind of common vision, how can we agree on the contract that we want to share and make a reality?

The present document sketches out a suggested course and overall method for this common work. This might comprise seven stages, starting with current visions of the region in twenty years' time, and leading up to the one that, we hope, will be chosen by the heads of State of the Union for the Mediterranean and will inspire public policy in their countries.

The seven stages might be as follows:

1. Current visions of the Mediterranean in 2030
2. Values
3. Mobilizing factors: getting society moving
4. Sectoral / thematic forecasting
5. Elements of context and general hypotheses
6. Scenarios
7. Political choices

At this stage, and in the hypothetical case where the Paris Seminar of 25-27 June were to confirm these seven stages, we cannot know what rhythm they might take. The fundamental object of this seminar will therefore be to agree on the methodology to be adopted (both the overall method and specific methodological choices, such as data, indicators, geographical reference framework, etc.), the implementation timetable, the division of tasks and thus the common work programme.

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It is vital that this initial contribution be considered as a draft, mainly written by French people, to be critically reviewed, added to and challenged by members of other Mediterranean countries. The subject has been simplified as a way of setting out the debate clearly, and in no way with an aim of finding easy solutions. We are hoping that its freedom of tone will be perceived as a call for confronting ideas, in the spirit of the seminars that IPEMED intends to develop.



## Methodology

### 1. Current visions of the Mediterranean in 2030

These visions are not scenarios, they are positive portrayals of what we would like to see happening in the Mediterranean in 2030. IPEMED defends its vision of an integrated region, but this is far from the only possible vision. Simplifications generally give rise to three major types of vision for the region. We present them here in a “typical-ideal” way. Obviously, many others exist, but they include a mix of elements from the visions given here.

#### 1.1. “Orange segment vision”: The regionalization of globalization based on proximity and North-South economic complementarity

This vision corresponds to regionalization comprising countries with different levels of development, similar to North America and East Asia. There are three variants, in increasing order of integration, which could apply to the Euro-Mediterranean region:

##### 1.1.1. Free “NAFTA-style” trade zone

This is the Mediterranean seen along the lines of a free trade zone as imagined in 1995. In other words, regionalization driven by commercial objectives and encouraged by the North (like NAFTA, founded on the principles of free trade and securing US and Mexican FDI):

- Disappearance of customs controls between North and South and between SEMCs
- Preferential commercial exchanges between countries in the region
- Security of North-South investments and an increase in FDI in the region.

##### 1.1.2. North-South cooperative production (“East-Asian model”)

As well as free trade, the region will have achieved industrial integration based on European companies’ use of SEMCs’ production resources (just as Japanese companies organized regional production integration in East-Asia, first with the Tigers, then with the ASEAN countries, followed by an industrial partnership with China).

- The securing of investments will have been strengthened by a regional court of arbitration
- SEMCs will have embarked on genuine production strategies in different sectors: technical training, R&D investment, industrialization in strategic sectors, etc. Their improved technology and product range will allow them to delocalize to neighbouring countries (Africa and Central Asia).
- North-South relations will have moved forward, depending on the sector of activity and country, ranging from simple sub-contracting to co-contracting and technological partnership (the “flying geese” model).

##### 1.1.3. Regulated North-South reconnection (“Mediterranean model” (?))

Regional integration will have not only been driven by commercial and industrial concerns, but also by political and social designs:

- Countries in the region will have agreed to partially transfer their sovereignty to sectoral regulation agencies (solving differences, water agencies, etc.) and common tools (e.g. Mediterranean financial institution, etc.)
- Redistributing transfers will have been set up at regional level (based on a model of cohesion, global or sectoral funding)
- There will have been a gradual convergence of norms between European countries and SEMCs
- Countries in the region will have faced important strategic issues together, such as responding to economic and financial crisis, global warming, reduction of local and sub-regional political conflict, etc.

#### 1.2. “Cultural groupings”. The regionalization of globalization based on cultural affinity

Supranational regional grouping will occur, but more through cultural and/or religious affinity than as a result of economic complementarity. Two sub-groups stand out in the region: Europe and the Arab-Muslim world:

- To the North, continental integration will have continued with the strengthening of common EU policies, the integration of the western Balkans, and the progress of a strategic partnership with Russia
- SEMCs will have accelerated their political and cultural rapprochement, succeeded in imposing a common diplomatic view on the Middle East conflict, and reinforced their economic ties (the role of FDI from the Gulf in particular)



- Relations between North and South in the Mediterranean will have developed on a basis of two groups that will be less politically asymmetrical than they are today.
- Turkey will have remained at Europe's gateway without becoming a member, and will have developed privileged partnerships with both sub-groups.

### 1.3. "Country / world". Globalization based on the world rather than regions, and the involvement of European countries and SEMCs in a broad range of international cooperations

Globalization will find solutions to worldwide regulation in the face of financial crisis, and will bring the regional integration processes to a middle-ground strategic level; countries will pursue their global insertion strategy completely independently:

- European Union countries will balance out national strategies and European integration
- Every country in the South will have put a globalization insertion strategy into place and taken advantage of all available opportunities: partnership with Europe, as well as with emerging countries (Mediterranean and non-Mediterranean, and especially China, India and Brazil), and with Russia
- They will also be involved in sub-regional integration strategies (Morocco with Western Europe and West Africa; Egypt with the Middle East, the Gulf and East Africa; Turkey with South-East Europe, the Middle East and the Central Asian Turkish-speaking world, etc.).

## 2. Values

The first seminar on 21 April 2009 proved that the debate on visions cannot be held between working group members, and even less so resolved in the sense of regional integration, if we cannot agree on which common values form the basis of integration. Yet the notion of "values" is difficult to define and prone to two pitfalls: reducing issues to religion, or conversely, expanding issues to become too vague and varied, like wellbeing, solidarity, identity or spirituality. We also need to avoid approaching issues from a prescriptive angle of what is right or wrong, which leads to ideological shortcuts.

A first solution could lie in identifying which values we agree on in the region as a whole, either because they are strong Mediterranean features (e.g. memory and patrimony, the plurality of language, translation and cultural interaction, etc.), or because they are universal values (the fundamental needs of all human beings, the need for security of nations and individuals, freedom of expression, rule of law, etc.).

Another solution might be found in common debate on our "joint preferences", which call for choices in a certain number of domains that form the foundations of living together in any society, wherever it may be. This is not a case of agreeing on common positive values, but on our common difficulties (even if responses can vary) in the face of societal dilemmas. To start the debate and without aiming to cover everything, the present text has identified three of these dilemmas. Although they are linked, we shall differentiate them in the aim of clarity:

- The issue of time in development (the relationship between the short and long term, the past and the future)
- The issue of the relationship between personal freedom and collective cohesion
- The issue of justice (the source of law, the place given to the need for equality, the nature of the rule by which law is applied).

These dilemmas are obviously not specifically Mediterranean. But they exist on specific terms in our region and there are specific responses to them for historic and cultural reasons (e.g. political and religious traditions, etc.). However, what differentiates, or will differentiate, regions from each other, will probably be the way that we collectively accept the differences in collective preferences within each region, country by country, and, perhaps, gradually put together a set of collective preferences for the whole region. It is even certainly this capacity to define collective common preferences that will shape the most significant contours of tomorrow's regions, if globalization actually does end up by reinforcing regionalization.

### 1. Development: the time question

#### 1.1. Short time period, long time period

- Countries in the Mediterranean region situate themselves along the timescale of age-old civilizations (like the Chinese), unlike the USA



- Europe seems to be increasingly – in any case more than SEMCs – turning to values of self-development and *short-term* collective development (an “Americanization” of societies and economic development choices, which the financial crisis may bring into question),
- The role of the State in society and the economy is in proportion to the importance given to the long term, since the State is the symbol and guarantee of what is set to last.

#### 1.2. Past and future

- The archetype of a society founded on transformation, in other words defined by the future it gives itself, is the United States. Conversely, so-called traditional societies and/or those that give religion a central political role, give prevalence to references to the past.
- Mediterranean societies could form an intermediate group that tries to unite the contradictory needs of tradition and/or transformation.

#### 1.3. Development priorities

- Should priority be given to maintaining social balance, or rather to transforming goods, services, social relations and individual and family-based practices – in other words, to innovation in all domains?
- Choices vary from one European country to another (Anglo-Saxon models, i.e. a more finance-based economy vs. the continental model, in particular the Rhenan model i.e. long-term production bases and sustainable development)
- A question: is the precautionary principle applied in the Mediterranean in the same way and to the same domains (e.g. the impact of technological change on the environment and health, the impact of sociological change on family structures, etc.)?
- Can the notion of sustainable development constitute a shared base for both sides of the Mediterranean?

## 2. Freedom: the dilemma of the individual/community relationship

### 2.1. Thinking in terms of dilemmas, rather than in normative political terms

If we want to make progress together on the formidable questions of freedom and obeying the law, we must not base ourselves on religious premises. Mediterranean peoples are described in the Muslim faith as “people of the Book”, and the principle of monotheism is at the origin of symbolic law and individuals’ obedience to a superior being. Yet, not only has the Mediterranean monotheist principle spread to many other regions in the world, but there are also other philosophical-religious principles that set limits on individuals (e.g. Asian value systems).

We therefore need to stop basing ourselves on the normative point of view that holds up freedom as a virtue and denies that it weakens social ties. Nor must we take the view that promotes the collective interest as the most important factor, even to the detriment of individual aspirations.

This dilemma between freedom and cohesion takes place on three distinct levels: the level of the individual (in which case the question is the relationship between self development and the limitations of individuals resulting from family or social codes and standards); the level of national society (relationship between the freedom of individuals or groups and the need for the State to create national cohesion); the level of countries in the international zone (relationship between independence and interdependence and, especially, regional integration and partial transfers of sovereignty).

### 2.2. Can we move towards a common Euro-Mediterranean position?

Regional integration does not concern individuals, whose concerns are in particular national cultural traditions, and often infra-national ones (local, family and religious traditions, etc.). What it does concern is:

#### 2.2.1. National society level (question of the relationship between individuals / the community)

The two sides of the Mediterranean have set their sights differently: the North bank looks towards individual freedom, and the South looks to the limits between this freedom and strengthening community standards (religious, social and political). But the debate crosses over into European societies (e.g. the return of the theme of authority in the face of the denial of individual limitations), and can have the effect of setting European countries against each other (e.g. the debate springing from hyper-freedom in the Netherlands and the caricatures of Islam). The financial crisis has also given renewed legitimacy in Europe to a return to the State, which has generally remained more present than in the United States.



In the South, the challenge might be described as follows. In the first case, it could involve moving sights towards individual freedom and questioning normative political systems made legitimate in the name of collective cohesion (and the need to construct a national entity straight after WWII). Or alternatively, it could involve substituting the normative political system with a religious system (fundamentalism), once again in the name of collective cohesion, but with no guarantee that the religious system would be more efficient in achieving national cohesion.

### 2.2.2. International level (solidarity and transfer of sovereignty)

If we succeed in establishing the dilemma of liberty / collective interest in a dynamic way between the two sides of the Mediterranean, we will be much better equipped to respond on a regional level (passage from national independence to regional interdependence), which will make it possible to:

- Partially limit States' freedom (as European States have accepted with the EU)
- Benefit from regional preferences, in particular relating to commercial agreements with the United States and Asia
- Accept budgetary solidarity (extending Pillar 2 of the CAP to the South and contributions by European tax payers to rural development in the South, etc.)
- Commit to a process of interdependence, even for security (civil, food, energy, police, perhaps even military security).

In comparison, neither the United States, Japan or China seem able to commit themselves to a reduction of their national independence. The Mediterranean, however, has a vital asset in achieving interdependence: the European experience, which is a unique example of the transfer of national sovereignty.

## 3. Justice: the role of equality, the source of law and the nature of rule

The definition of justice can be based on the content of a law (substantial definition), on its source (teleological definition, which concerns its aims), or on its administrative application (procedural definition).

### 3.1. The substantial dimension of justice brings up the question of equality

- The level of equality built into the values of a national society varies greatly from one country to another, and there are no obvious differences between North-South
- There is, however, one dimension of equality that does differentiate North from South, and that is the equality of the sexes
- In Europe, the social realities in some EU member states that put competition before equality (e.g. liberal countries like Great Britain) and/or socio-ethnic segregation, present the new faces of inequality,
- The question we need to ask is, whether the convergence of the substantial conception of justice is a necessary component of regional integration? From this point of view, can an insistence on the need to limit inequalities, and on a certain degree of social convergence, constitute a common foundation?

### 3.2. The source of law brings up the issue of the State and the role of private stakeholders

- The source of law can be religious, political (the State), or social (family, social groups, etc.). European societies have opted for political autonomy from religious groups, with the State as the unique source of law. SEMCs have a long tradition of State supremacy, but some currents in their societies raise the question of religious groups' superiority as the source of law.
- At international level, as well as national level, sources of law show a tendency to mix hard law (written law imposing immediate restrictions coming from a unified and centralized source), and soft law (whose character is not necessarily restrictive and with a possible private origin, like corporate practice codes). This tendency to mix brings up the question of private stakeholders in the definition of rules of law and how they fit into the public sphere (which can control them, or even implement them without having created them). How might this mix translate into a Euro-Mediterranean context?

### 3.3. The procedural dimension brings up the question of State law

- There are two opposing principles: the rule of law, which applies equally, transparently, and independently from the people who assume it; and the rule of fact, which applies through interpersonal relationships that might be relationships of influence, even submission. Both forms are present in all countries, but to varying degrees:
- European countries have made the rule of law (State law) an imperative of high political importance – with the European Commission playing an endorsing role that is at times exaggeratedly procedural.
- SEMCs maintain a strong interpersonal dimension (although this varies from country to country)



- Could State law become an imperative shared by all countries in the region? By making its uses more formal and systematically applying rules, independent from concrete social conditions, could it and should it be pushed to a point whereby the rules incarnated by interpersonal relationships become less legitimate? (One Mediterranean tradition might be the prevalence of “human realities” over abstract legal principles.)

### 3. Mobilizing factors: getting society moving

Identifying which values are at the root of a common region is one thing, getting these values to move towards a common plan is another. Values need catalysts if they are to progress from slow transformation to the kind of surge needed for political projects to take shape. In the history of the Europe’s construction, catalysts have taken the form of a transformation of fears into a mobilizing utopia.

#### 1. Past fears and mobilization

In the case of Europe, it might be considered that various fears of war, communism or loss of world power (starting from the end of the colonial empires, to the rise in power of the United States, and more recently that of the main emerging countries), led to the mobilization of the European project, which was partly to create economic development and social cohesion (to counter Communist competition), and partly to maintain the role of European countries on the international scene.

To the south and east of the Mediterranean, we might consider that the fears of internal political instability, social and cultural dilution (the threat of Western values and the refusal of a “convergence of civilizations”, and possibly also the threat of post-colonial European power?), and fears of economic and political marginalization on the world scene, have led to the construction of nation States as well as attempts to create regional unions (pan-Arabic or pan-Islamic) and sub-regional ones (UMA).

#### 2. What are the necessary factors for constructing the Euro-Mediterranean region?

##### 3.1. Shared fears

- Fear of climate change
- Fear of oil running out
- Fear of lack of food (South) and health and environment risks linked to the current food industry (North and South)
- Fear of others (invasion by immigrants, perversion of values, etc. )
- Fear of marginalization in a globalized world in the face of other world regions.

##### 3.2. How can we start making a collective response to shared security?

- How will security be accepted: security in the strict sense (police and military), or in the wide sense (“human security”, “global security”, etc.)?
- Security as Northern countries understand it (i.e. safer energy supplies, more secure borders, etc.), or as Southern countries do (i.e. primacy of food security, fight against political instability, etc.)
- Question: can countries in the region take security in its wider sense (human safety, health safety, investment security, energy security, political and border security etc.) and define a common project that is likely to find acceptance?

It is not only fears and the way they are transformed into a mobilizing utopia that can serve as a catalyst for the region. The resolution of the Israeli-Palestinian conflict would be the single most powerful catalyst possible – and the absence of a solution would be one of the most powerful holdbacks to all forms of regional integration.

### 4. Sectoral (or thematic) forecasting

This is this area of Euro-Mediterranean forecasting that has been the subject of the most studies since the Euromed process began. It provides a foundation from which we can draw together – but we will have to agree on what we accept. Is it Plan Bleu’s analysis and forecasting of the environment in general and water in particular? CIHEAM’s study of agriculture, food and rural issues? WEO’s forecasting for Mediterranean energy? Or FEMISE’s analysis of employment and economic growth. Or perhaps CARIM’s, on migration?

These different topics were presented at the meeting on 21 April by those responsible for Euro-Mediterranean study organizations (cf. detailed minutes).



## 5. Elements of context and general hypotheses

Sectoral forecasting is restricted by uncertainty springing from internal and external factors. For example, the size of world economic growth will be decisive for employment in the Mediterranean; the extent of climate change will have a crucial effect on the environment, certain economic sectors and some peoples who are already particularly vulnerable, etc. We therefore need to agree on a list of these elements of context and general hypotheses, whether they are external to the region or rooted in a Euro-Mediterranean context. Some initial items, merely indicative at this stage, could be used as an initial basis for discussion.

### 1. Global growth and governance

- Level of global growth: low / high
- Global growth: breakdown of multilateralism / revamped multilateralism

### 2. Extent of reforms in SEMCs

- Development of business climate, human and technological capital and industrial specializations
- Development of internal political climate and social equilibriums

### 3. Continued development of the European project

- Extent of European development: new transfers of sovereignty and increased tax & social convergence / status quo
- European borders: extended Europe / continental Europe

### 3. Impact of climate change

- Extent of warming: bottom of the IPCC's estimated range / or top of the range, possibly beyond IPCC estimates
- In terms of governance, low or high capacity to respond to climate challenge.

### 4. Extent of regional interplay

- Degree of reduction in tariff and non-tariff barriers
- Transport and logistics modernized or not
- Financial area compatible or not
- Fluidity or rigidity of international mobility
- Normative convergence and regional integration either "in depth" / or "superficial"

### 5. Geopolitics in the region

- Peace or conflict
- Integration of the Maghreb or not, etc.

The next step will be to apply these different elements of context or to test the hypotheses on sectoral forecasting results:

	Global growth	Reforms in SEMCs	Advances in EU construction	Climate change	Regional interplay	Regional geopolitics
Demography, migration						
Employment, training, technology						
Water and environment						
Agriculture, food industry, rural						
Energy						
	↓	↓	↓	↓	↓	↓



There are three possible methods:

- 1°) The combination is done by sectoral study organizations (CIHEAM, etc.) based on general hypotheses agreed on by the group. The task will be to adjust sectoral forecasting studies already made, taking into account the working group's qualitative tendencies;
- 2°) It is to be done by national institutions that work on forecasting, with the work shared out in an agreed manner;
- 3°) It is carried out by the IPEMED team in consultation with its partners, using on a collective database – which implies that relevant data will be shared.

## 6. Scenarios

These result from combining the sectoral or thematic forecasts with the general hypotheses. Taking these different factors into account (will a general equilibrium model be necessary to do so?) should lead to a series of scenarios to be presented to heads of State. Unlike certain other forecasting work, this will not consist of proposing a “go with the flow” scenario, an unacceptable scenario and a virtuous scenario that political decision-makers will be obliged to choose. If our work is done well during phases 1 to 5, we should end up with several positive scenarios (on top of “go with the flow” and worst-case scenarios), which will constitute a basis for genuine debate and provide heads of State with a choice.

After determining the scenarios, a cost advantage analysis should follow. The forecasting exercise will therefore have proved itself to be a true political decision-making aid.

## 7. Political choices

The simple fact of choosing a common scenario will spark a series of decisions regarding which policies need to be taken to achieve what has become – in the optimistic hypothesis – the region's new common vision for 2030. To achieve this vision, Euro-Mediterranean policies need to change, and the national policies of each country too – the two processes feed into each other.

### 1. The process of choosing a scenario by UpM heads of State

### 2. Implications for Euro-Mediterranean regional policies

- Common policies
- Common tools (Euro-Mediterranean financial institution, common sectoral agencies, etc.)
- Common regulations

### 3. Implications for the national policies of countries in the region





## PROPOSED TIMETABLE

This timetable is difficult to draw up because it must be decided on jointly at the end of June 2009 in Paris. Although we have imagined it in (seven) stages, some tasks could be launched in parallel. At this current stage of the thought process, the following schedule can be envisaged:

- 21 April 2009 (Paris): launch of "Mediterranean 2030"
- 25-27 June 2009 (Paris): working seminar on method
  - o Finalization of the method and work organization
  - o Partners must work on their contribution to points 1, 2 and 3 of the report (to be transmitted to IPEMED by end September 2009)
- End 2009: intermediary seminary
  - o Validation of points 1, 2 & 3
  - o Presentation of forecasting work done by sectoral organizations (stage 4)
  - o Launch of stages 5 & 6 (hypotheses and scenarios)
- February 2010, by email and via the working group's intranet
  - o Validation of stage 4 (sectoral forecasts): signature of a common text on the main Mediterranean sectoral forecast analyses
  - o Progress on stages 5 & 6
- April 2010: concluding seminar of the first year of the programme
  - o Validation of stages 5 & 6 (scenarios)
  - o Choice of the text to be presented at the *Entretiens de la Méditerranée* (Meetings of the Mediterranean) and then to the UpM heads of State
  - o Setting-up of a timetable for year 2 of the "Mediterranean 2030" programme
- May 2010: "Meetings of the Mediterranean", focusing on Mediterranean forecasting (to be clarified with partners)
  - o Presentation of working group results during the Meetings
  - o Transmission of analyses / or scenarios / or the "Mediterranean 2030" working group's recommendations to the heads of State at the 2<sup>nd</sup> Summit of the Union for the Mediterranean
- July 2010: 2<sup>nd</sup> UpM Summit.