

Euro-Mediterranean integration: The role of regional and local authorities

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INTRODUCTION

This report covers Euro-Mediterranean regional integration and the role of local and regional authorities (LRAs) in helping to stimulate it in a tangible way by promoting decentralised cooperation and territorial diplomacy.

We will first present the current global and regional geopolitical context to show how it affects the Euro-Mediterranean integration process. Subsequently, we will recall the multiple institutional framework of Euro-Mediterranean integration in order to identify the position accorded to decentralised cooperation and place ARLEM in its role of mediation in synergy with the Euro-Mediterranean institutions and in particular the UfM. This will allow us to target some of the priority areas of ARLEM's activities, in this case: employment, migration and sustainable development.

For the first strand, we will put forward the Social and Solidarity Economy (SSE) as promising path for action in decentralised cooperation, where LRAs have a very favourable comparative advantage and where they can play an important role and contribute to Euro-Mediterranean integration.

With regard to sustainable development, we have focused on climate change, which lends itself to decentralised cooperation by LRAs.

We will, of course, present the rationale for their selection for avenues of action with an operational scope and propose recommendations that can contribute to the achievement of the common objectives.

I. THE GLOBAL AND REGIONAL GEOPOLITICAL CONTEXT AND ITS IMPACT ON EURO-MEDITERRANEAN INTEGRATION

The contemporary world faces multiple challenges: Violent conflicts, wars, terrorism, climate change, new forms of security threats — such as cyber-attacks or manipulation of public opinion —, the increasing gap between the richest and the poorest... Furthermore, the offensive unilateralism of the United States, the trade war between the United States and China as well as the rise of populism and nationalism add uncertainty on global developments¹.

The Mediterranean region is at the heart of major global and regional geopolitical turbulence. Middle East conflicts remain the Gordian knot of global geopolitics. The war in Syria, with its batch of destruction, death and massive rejection of people outside the conflict zones, is combined with the ongoing conflict in Libya, which has disrupted human movement across the Mediterranean and led to an unprecedented humanitarian crisis.

Moreover and lastingly, the Palestinian issue with the occupation and the Gaza blockade is a major handicap to regional stability and security affect the integration process. Indeed, the current political situation, which has not changed for 70 years, makes Palestine the only country still under occupation. This occupation constitutes the main handicap for Palestinians and affects their relations with neighbouring countries in terms of integration and complementarity. This is combined with the deformation, by the occupying authority, of the image of Palestine in other countries of the world, which hinders the integration of the Palestinian people with other peoples in trade, economic, political, social and institutional terms.

On another level, nobody can deny that the future of the Mediterranean is closely linked to that of the European Union. Regional integration processes in Europe and in the Mediterranean are de facto interdependent.

Today, the European integration project is experiencing obvious difficulties which can threaten its future and thus also hinder the progress towards Euro-Mediterranean integration. Brexit, the rise of populism

¹— IEMED yearbook, 2017

and the refugee crisis are all elements that threaten the European integration project, the cohesion of the EU and its readiness to fan out at global and regional level, and by the same token, they also counter its neighbourly relations including with the southern and eastern Mediterranean countries (SEMCs).

Likewise, the SEMCs for a good decade have been going through a difficult situation with severe turbulence (wars in Syria and Libya), with outstanding and more or less advanced political transitions and with severe socio-economic difficulties of varying degrees, depending on the country. Security threats are still very much present, not to mention the impact of the refugee crisis on the transit and host countries.

In addition, South-South integration is slowing down: blockade for the countries of the Arab Maghreb Union, and little or no progress for the Agadir Group (Egypt, Jordan, Morocco and Tunisia). This also thwarts Euro-Mediterranean integration, seen that both processes must go hand in hand.

II. THE INSTITUTIONAL FRAMEWORK FOR EURO-MEDITERRANEAN INTEGRATION

Euro-Med relations are governed by 3 institutional frameworks:

- The Euro-Mediterranean Partnership or Barcelona process initiated in 1995;
- The European Neighbourhood Policy (ENP) created in 2008 and revised in 2015;
- the Union for the Mediterranean (UfM) set up in 2008.

Although overall, they pursue similar objectives of making the Mediterranean an area of peace, security and shared prosperity, they are different in terms of institutional structures: The Euro-Med partnership is an EU partnership with 14 Mediterranean countries (SEMCs); the (since 2015 revised) ENP is a unilateral EU policy towards its neighbourhood; the Union for the Mediterranean finally is an intergovernmental organisation of 43 countries.

For non-insiders, the existence of these three frameworks creates confusion and may even give the impression of duplication that could be unproductive. The necessary harmonisation and articulation should dissipate this perceived impression.

If the multilateral dimension may be found in all these processes, the fact remains that bilateralism prevails, specifically through the establishment of individual association agreements between the EU and the SEMCs which de facto structure Euro-Med relations not without creating effects which lead, in fact, to the verticalisation of such relationships altering both south-south integration and north-south integration, i.e. Euro-Mediterranean regional integration.

In addition, it should be stressed that this Euro-Mediterranean integration is made up of variable geometry and is more or less advanced, depending on the country. For instance, free trade agreements between the EU and the SEMCs, which constitute the backbone of integration, were implemented at very different dates (1997, for Tunisia, and Palestine 2000 for Morocco and Israel, 2002 for Egypt, 2005 for Algeria and 2006 for Lebanon). Furthermore, Morocco has signed a Deep Free Trade Agreement with the EU, while Tunisia, Egypt and Jordan are in the negotiation process.

Euro-Mediterranean trade integration also faces multiple obstacles and the project of a free trade area, announced in Barcelona in 1995, is very slow to materialise. There are a number of obstacles to this process of trade integration through the bilateral free trade areas which have hitherto generally remained limited solely to reducing tariffs on manufacturing products, excluding agricultural products, services and non-tariff barriers².

2— The contribution of local and regional authorities to regional integration in the Mediterranean, CASE, Aleksandra Chmielewska, Emmanuel COHEN-HADRIA, Krzysztof Głowacki, Agnieszka Kulesa, Justine Renard and Katarzyna Sidło, Jana Pawle II 61/212, 01-031 — Warsaw, Poland, July 2019

Finally, while the EU remains an important partner in trade, it is worth noting the strong inroad of China, Turkey and, to a lesser extent, Russia with increasing market shares to the detriment of the EU; this affects the Euro-Mediterranean trade integration.

In spite of this difficult global and regional context, it has to be noted that the integration structures and forms, which can be improved and are open to review, have still facilitated some achievements, albeit remaining below what has been envisaged and hoped for since Barcelona 1995. Those achievements still continue to nourish hope among many Euro-Mediterraneans to jointly consider balanced reciprocal commitments with a shared responsibility in order to relaunch the Euro-Mediterranean regional integration project. It is precisely here that actors below state level and civil society must play an active role in supplementing or complementing the activities of governmental or intergovernmental actors (states and community authorities).

Local and regional authorities (LRAs) have the freedom to encourage and boost decentralised cooperation and territorial diplomacy through a number of joint operations and operational projects in many important areas and thus to contribute to Euro-Mediterranean regional integration. But what are the prerequisites? And in which priority areas?

III. EURO-MEDITERRANEAN DECENTRALISED COOPERATION, AN ASSET FOR REGIONAL INTEGRATION: LOCAL GOVERNANCE AND PRIORITY AREAS.

Euro-Mediterranean regional and local cooperation is admittedly conditioned by obstacles at the macro level, but it is also, to a large extent, dependent on the level of decentralisation and local and regional governance (transparency, autonomy, accountability) achieved by the various partners.

Decentralised or sub-national cooperation presupposes a certain degree of politico-institutional decentralisation, giving LRA a margin of manoeuvre and non-formal but effective autonomy, in order to be able to undertake bilateral or multilateral international decentralised diplomacy. However, it must be recognised that situations are different between European countries themselves, and even more so with the SEMCs, where the processes of decentralisation and governance based on the principles of accountability and transparency are more or less advanced, depending on the country.

This requires support for an upgrading, on a voluntary basis and respecting the principle of sovereignty. ARLEM can play a role in this sense by helping to reduce the gap, not only in legal, legislative and institutional terms, but also through the transfer of know-how and successful practices (internships, exchanges of experience and information, etc.). This role corresponds to one of the priorities of ARLEM (governance). Such action presupposes the creation of a climate of mutual trust; hence ARLEM, especially through its intermediation with the UfM, could help the partners in this regard particularly in the field of regional and local governance reforms.

Moreover, the increasing number of meetings is facilitating good local and regional governance. The Seville and Ramallah meetings are a good example of this. Better local and regional governance (decision-making autonomy, accountability and transparency) would boost decentralised cooperation and territorial diplomacy. This should be taken into account and requires appropriate action, which can be suggested or even initiated by ARLEM. The principle is to start from existing activities to accompany and consolidate them before considering further action.

ARLEM can contribute to the emergence of a shared vision and to support the initiatives of joint projects and actions in priority areas, for which LRAs can avail themselves of an advantage in playing a significant role in Euro-Mediterranean integration. This is, moreover, the objective of ARLEM as set out since its departure in 2010.

Strengthen the role of local authorities in Euro-Mediterranean cooperation and give a territorial dimension to the UfM providing a framework for cooperation on issues of common interest and operational projects in the region.

Among ARLEM's priority areas of interest, and those for which LRAs have a potential and a favourable comparative advantage over central public authorities to contribute to Euro-Mediterranean integration, we have identified two key areas:

- Unemployment, informality and migration with social and solidarity economy as an important lever for local and community development.
- Climate change.

These two areas cover what ARLEM has highlighted in its last plenary sessions under the headings of employment, migration and sustainable development. Although these topics are not new for ARLEM, we are going to deal with them in another, more or less different angle.

IV. PRIORITY AREAS

1. Unemployment, informality and migration: The social and solidarity economy as an asset for decentralised cooperation and Euro-Mediterranean integration.

Seen either historically or through the lens of the current state and future issues, migration is one of the key dimensions of cooperation/integration of the Euro-Mediterranean region. The Arab Spring and the refugee crisis following the Syrian, Libyan and other conflicts have exacerbated existing tensions in the management of migration flows and their control around the Mediterranean.

As a result of public opinion becoming more and more receptive to populist arguments and far-right movements, the politicians of European countries, even if they are full of human values and convinced of the rights of migrants, have been obliged to change their migration policies – yet still not harmonised even at EU level –, to more restrictions and impediments to the reception of migrants, even if they are genuine humanitarian refugees. The Mediterranean Sea, this Mare nostrum, which was meant to be a space of prosperity and peace, has become a hostile environment for thousands of irregular migrants from the south who wanted to make it to the northern shore. IOM statistics on the deaths of migrants at sea count 18566 migrants dead or missing on the migration routes to Europe in the Mediterranean between 2014 and 2019.³

Furthermore, inequalities in living standards between the north and the south continue increasing; the average GDP per capita⁴ of the EU (USD 40891, purchasing power parity in 2017⁵) is almost eight times that of the Occupied Palestinian Territory (USD 5081⁶). The average EU unemployment rate is 6.3 % in June 2019,⁷ compared to 29.1 % in the Palestinian territories, 19.2 % in Jordan, 17.7 % in Libya or 15.3 % in Tunisia. In some countries, such as Tunisia, the unemployment rate of youth or of university graduates reaches unsustainable levels and leads young people, even the most educated, to leave their countries, all the more as they have more mobility opportunities⁸; this facilitates a sort of selective migration that encourages brain drain with its adverse effects on the development of developing countries.

But even if the citizen of the southern countries has access to employment, he cannot be sure to be able to lift out of poverty and guarantee a better future, since the majority of jobs are precarious and hardly meet the conditions of decent work. The proportion of informal work now reaches high or even very high levels in these countries. This is moreover accompanied by very low levels of social and health protection, resulting in high multidimensional poverty that affects even people in employment. The latest statistics from the International Labour Office show that the rates of informal work reach, by way of example, 89.9 % in Morocco, 64.3 % in the Palestinian territories, 63.3 % in Egypt and 58.8 % in Tunisia⁹.

³IOM Data from 1 January 2014 to 31 August 2019

⁴US \$PPP

⁵According to IMF data for the year 2017 according to IMF data.

⁶— According to World Bank data for 2016

⁷Source:EUROSTAT

⁸— According to the Tunisian NSI, the rate of unemployment among tertiary graduates reached 16.5 % for men and 38.3 % for women in 2019.

⁹— ILOSTAT — These are the overall levels of informal employment, including the agricultural sector.

These **imbalances and the differences in living standards between the north and the south** necessarily and massively lead to human displacement towards the areas of prosperity that can hardly be tackled by purely security and regulatory approaches, however drastic they may be. The only alternative remains to organise these flows and to act on their structural causes through a voluntary cooperation policy which can put into effect the common wish expressed in Barcelona through co-development, with a view to shared prosperity. Addressing the migration issue in a framework of respect for human dignity and respect by all for all the rights of migrants and their family members, as set out in the relevant international instruments of the United Nations and the International Labour Organisation, is also an essential condition for the success of both a peaceful dialogue and a fruitful cooperation in the interest of all parties.

The security approach to the issue of migration cannot be the only alternative since foresight studies show that Europe, as a result of its demographic deficit, will in the coming decades need millions of foreign workers to ensure the balance of its labour market, particularly for highly skilled workers in several and even the most advanced areas. This can only be provided for through a contribution from non-Community workers.

However, migration in the Mediterranean area not only has a south-north dimension but is also a question of paramount importance between the countries of the south themselves, or even within areas with an appearance of integration along the lines of the Arab Maghreb Union, for example, where the land borders between Algeria and Morocco are closed and the freedom of movement of the Maghreb population in this area is not fully guaranteed. Restrictions on the movement of Palestinians and on access to occupied territories are also becoming more acute.

Free movement of people is one of the basic foundations of regional integration. Although often neglected after the implementation of other freedoms (exchange of goods, services and capital), the fact remains that it constitutes the cement which links the construction elements of regional groupings and reinforces the links of solidarity and social cohesion in those groupings.

Cooperation between cities and local authorities is therefore more than necessary, particularly those in regions with a strong migration tendency and those with a high immigration burden. This decentralised cooperation should be a major focus of any cooperation programme or integration process with a view to contributing to better mutual knowledge, greater tolerance and a common fight against all forms of racism, xenophobia, stigmatisation, insecurity and exclusion.

With this in mind, it is proposed **to promote economic projects to create jobs and income sources in regions with a strong migration tendency** with a view to creating dynamic local and community development. The encouragement and **promotion of social and solidarity economy** would be the appropriate form for the establishment of such projects.

In this regard, it should be borne in mind that Social and Solidarity Economy (SSE) is defined as an economy whose primary objective are the human beings and where the production of goods and services aims at satisfying the needs of humans and not maximising profit¹⁰. In our opinion, it is an appropriate tool for **formalising the informal sector and promoting initiatives aimed at local and community development, the primary responsibility of which lies with local and regional authorities who have a clear comparative advantage in this area.** Actions to promote this mode should therefore be given priority in the processes of cooperation and regional integration. It is in this sense that the UfM has given particular attention to this issue. Creating synergies between ARLEM and the UfM to initiate and support actions to promote the social and solidarity economy is therefore a priority.

¹⁰ — The ILO at its regional conference in Johannesburg in 2009 adopted a broad vision of the SSE, which is considered to be “enterprises and organisations, in particular cooperatives, mutual societies, associations, foundations and social enterprises, which have the particularity of producing goods, services and knowledge, while pursuing economic and social objectives and promoting solidarity”.

Indeed, according to a recent UfM document, it is stated that social and solidarity economy is an important part of the Euro-Mediterranean region with more than 3,2 million companies and organisations and 15 million jobs. A UfM workshop on the Social Economy in the MENA region and in the Balkans was organised and this was the first UfM event dedicated to the SSE and focused on job creation, entrepreneurship and social impact.

In addition, SSE creates sustainable activity on the territory, stimulates civic participation, does not favour speculation to the detriment of actual production activities, and respects the environment. It helps to help tackle key development bottlenecks, including, for example, marketing problems, poor access to finance, legal blockages and the lack of human resources despite youth unemployment. These are a number of disadvantages which would call for effective decentralised cooperation.

Combating unemployment, poverty and informality by boosting economic activity and contributing to the creation of income sources in poor and marginalised regions, in particular through social and solidarity economy initiatives, are **a powerful alternative**, more efficient, fairer and more humane than the mere security and coercive aspects, in order to reduce the proneness to migration and to really tackle the key factors of migration and outflow. That is why we believe that **cooperation in this field is a key lever for the economic and social development of regions with high migratory pressure, and for reducing the tensions that hinder regional integration processes.**

In order to reflect together on possible development projects, to which local authorities in the Mediterranean and in particular the regions could contribute, it would be necessary to agree on **the recognition of a common framework for SSE**. Decentralisation can, of course, be a relevant tool for participating in the development of SSE through **direct support to its actors working on the ground.**¹¹

In the member regions of the IMC, there are **regional authorities that already have a good experience in decentralised cooperation linked to the themes of SSE and could play a key role in launching or boosting initiatives and actions for decentralised cooperation, and promoting SSE in particular in sectors that are highly promising and contributing to other common objectives in the region**¹² (sustainable tourism, development of origin-linked products, agro-ecology, etc.).

Hence the need to:

- a. Promote **economic projects enabling the creation of jobs and income sources in regions with a high migration tendency** with a view to creating dynamic local and Community development. Encouragement and **promotion of solidarity economy** would de facto take the appropriate form for the establishment of such projects.
- b. Contribute to the establishment of **activity zones and free zones in border regions** and launch joint projects for the formalisation of economic and trade exchanges. Contribute to the development of these regions and to the fight against fraud and the informal economy. ESS is very appropriate here.
- c. Exchange experiences and **best practices on agro-ecology and preservation of ancestral cultural techniques, controlled designations of origin and rational exploitation of natural resources** in farming and rural areas, through representatives of local organisations and communities of farmers, fishermen and craftsmen. Women's communities could be the priority beneficiaries.
- d. Develop actions for the **exchange of young people and volunteering for cultural or environmental** activities which are likely to strengthen direct relationships and synergies

11— In the same direction, the European Investment Bank provided a contribution on the theme of SSE in the Mediterranean region. Its study¹¹ presents the current situation of Social and Solidarity Economy (SSE) in 3 countries (Morocco, Tunisia, Egypt), looking at the lead sectors, financing methods, the legal framework, and identifying the main obstacles to its development. It identifies significant potential for job creation and explores new ways to develop it. The creation of ethical banks for the development of this economic mode is strongly recommended to build a coherent, coordinated and effective ecosystem, and provide a real response to the lack of funding, a comprehensive solution to accelerate the development of a finance oriented towards social benefit.

¹² prospection report of the IMC (Inter-Mediterranean Commission) and CPMR (CONFERENCE OF PERIPHERAL MARITIME REGIONS) — June 2017

between youth associations to **promote values of tolerance, mutual assistance and solidarity**. The preservation of the **common civilizational heritage or the safeguarding of the environment, and in particular our common sea**, could be focal points.

Through these actions, one may help to stimulate inclusive growth and sustainable development, limit unemployment and insecurity and act effectively against the structural causes of migration, while at the same time promoting **better knowledge among peoples, which is essential for any successful and sustainable integration**.

2. Climate change and the role of LRAs

It should be recalled that, in the context of the UN Climate Conference (COP22), and during the second meeting of the Commission for Sustainable Territorial Development of the Euro-Mediterranean Regional and Local Assembly (ARLEM), two themes were discussed, with reports on energy and climate change in the Mediterranean region, and cross-border cooperation in the Mediterranean region¹³.

The purpose is to start from this achievement in order to consolidate and explore the prospects for cooperation between LRAs in this area, which is considered to be one of the pillars of regional integration and to address one of the major challenges affecting all countries around the Mediterranean.

In a recent study on the challenges of climate change in the Mediterranean¹⁴, it has been shown that the Mediterranean basin is considered to be one of the 25 climate change hotspots in the world: increasing temperatures, corresponding disruptions in rainfall, hydrological cycles or intensity and frequency of extreme weather events that will affect coastal zones in particular, as well as hydrological basins, which host 33 % and 50 % of the total population of the area respectively. The impacts on Mediterranean societies and their natural environment are potentially disastrous or even irreversible. These impacts are and will be particularly marked on the South and East sides, with more intense climate change that exacerbates pressures from strong demographic and urban growth, as well as an unsustainable exploitation of natural resources. The necessary adaptation policies are confronted, on both sides, to the lack of resources and to the need to address short-term social and economic challenges and imperatives.

For sure, commitments are made by the States Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in a common agenda (with nationally determined contributions for the countries ratifying the Paris Agreement, which are more limited among the countries of the south).

However, their translation into concrete actions remains, for the time being, very unevenly distributed among the countries of the region and generally insufficient (especially in the SEMC), with considerable needs for financing, capacity building and technology transfer. There is therefore a need for LRAs to play an active role in addressing the challenges arising from these asymmetries, which amplify, in fact, the vulnerability of all the riparian countries.

It should be noted that while, as a general rule, European (Mediterranean) territories benefit from an advanced structured legal framework with many informative tools, complementary media for action and funding tools, there are significant disparities between the commitments of European cities and communities. But the gap between the framework and the means in the territories at European level and those of the southern and eastern Mediterranean countries is even more important. The territories and cities on the southern shore are even more vulnerable than those of the northern shore because of more pronounced climate deregulation, but also much weaker coping capacities.

Thus, decentralised Euro-Mediterranean cooperation has a potentially significant role to play in supporting the transition of the territories of the South and East shore, reducing disparities rapidly and establishing climate solidarity between Mediterranean territories¹⁵.

This is where LRAs' role appears to be essential in initiating or strengthening joint actions contributing to regional integration. It will not be necessary to duplicate existing actions nor to compete with the existing Euro-Mediterranean initiators and actors but to be in synergy with them.

¹³ Reports adopted in Malta in 2017.

¹⁴ — “ENERGIES 2050”, FEMISE — INSTITUT DE LA MÉDITERRANÉE 2018.

¹⁵ — See “The Euro-Med governments in the fight against climate change”, ENERGIE 2015, FEMISE — INSTITUTIONAL OF THE MEDITÉR Ranée 2018

Indeed, there are a number of specific Euro-Mediterranean mechanisms related to climate issues directly affecting Euro-Mediterranean authorities and other Euro-Mediterranean territories. To name just a few:

- MED COP Climate (protocols on the Euro Med partnership, the ENP, where a number of concerted actions are carried out in this framework (cooperative actions carried out collectively, in particular by cities and Mediterranean regions).
- Euro-Med climate projects with a local dimension on climate change adaptation and mitigation in nine Southern Mediterranean countries (Climate South 252) launched in 2012 and financed under the ENP (technical services of government, both operational and policy development).
- CES-MED to promote the development of sustainable energy in Mediterranean cities (CES-MED) and to provide training and technical assistance to LRAs.
- The Covenant of Mayors, Mediterranean networks that have been launched at city level. For example, Med-Cities, created in 1991 in Barcelona, at the initiative of METAP, which aims to bring together Mediterranean cities from different countries to promote sustainable regional urban development or the MC3 (Mediterranean Cities and Climate Change), which aims to build an inventory of knowledge and measures linking urbanisation and climate issues.

Therefore, certain proposals made by the authors of the above-mentioned study can be regarded as measures of extreme importance and should be implemented in an operational manner, in particular:

- a. Enhancing knowledge and understanding of the climate/development challenges both of citizens and of local representatives and of staff;
- b. Enhancing technical expertise for project implementation, monitoring and implementation;
- c. Mobilising the financial sector towards climate actions and projects.

For these recommendations, ARLEM is recommended to assist in making them come to reality, and to contribute, in fact and in synergy with the UfM, to Euro-Mediterranean integration. This will be the region's future, its development, its cohesion and the security of its citizens.