# The Medina

# The Medina

THE RESTORATION & CONSERVATION OF
HISTORIC ISLAMIC CITIES

EDITED BY

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# Foreword

A great deal is at stake in the rehabilitation of the historic centres of southern and eastern Mediterranean towns and cities. By 2030, nearly 80 per cent of the inhabitants of the Mediterranean countries will live in towns and be concentrated on 10 per cent of the land: in coastal areas. This represents an enormous challenge and suggests that the region's social and economic future will largely depend on management of the 'urban reality'.

Against this background, controlling the development of the 'heart' of towns and cities represents a key response to the anarchic growth of urban areas. In particular, the historic city centres – or medinas – play a vital role in preserving the cultural and social capital of the Mediterranean countries while offering considerable potential as an attraction: and this is why it is so important to conserve them.

However, the current position is that the historic city centres are in danger of being irreversibly marginalized. A large part of the heritage is in a dilapidated state through lack of maintenance of buildings and infrastructure. At the same time, the medinas are undergoing changes resulting from the new competition between urban spaces. In the southern and eastern Mediterranean countries, these changes are accompanied by the transformation of the structure of households and the emergence of a middle class more inclined to live in urban areas meeting the new social and economic standards. This is substantially altering the role that the medinas are called on to play in the urban mix.

In order to place the revitalization of historic city centres in a sustainable framework, it is necessary to adopt a comprehensive and integrated approach, including 'patient' investment. National budgets that are already stretched are insufficient for this purpose, so there is a need to encourage the involvement of private investors alongside the multilateral organizations and public authorities.

Only a strengthened public-private partnership can mobilize the effort required and raise the necessary awareness among all stakeholders. And such a partnership will enable private citizens, property owners, businesses, real estate and tourist agencies to ensure that the investment of public authorities is backed up by other lenders and geared to the long term in order to create a genuine opportunity for developing the historic city centres. This, in a nutshell, is the intention of the European Investment Bank's initiative.

### *The 'Medinas 2030' Initiative*

As the long-term financing institution of the European Union, the European Investment Bank (EIB) devotes a substantial part of its lending to supporting sustainable urban regeneration. In the Mediterranean region, the EIB finances development projects through its Facility for Euro-Mediterranean Investment and Partnership (FEMIP). This was the framework in which the EIB launched the 'Medinas 2030' initiative in October 2008 on the occasion of the Venice Architecture Biennale.

Financed via the FEMIP Trust Fund, the Venice conference was designed to raise awareness of the importance of rehabilitating the medinas. It brought together urban planners, architects, economists, sociologists and experts from financial and international co-operation organizations along with representatives of the Mediterranean countries' governments, and formed the starting point of a far-reaching debate that is destined to lead to the implementation of investment projects supporting the revitalization of historic urban centres.

This book has its genesis in the Venice conference. It sets out different scenarios for the development of historic urban centres and strategies for their rehabilitation, and represents the first step in a programme of knowledge-sharing and co-operation that will establish the main pillars of the strategy to be implemented. I am convinced that it will help us to bring together an ever-growing number of partners to address the vital issue of urban regeneration in the Mediterranean region.

Philippe de Fontaine Vive
Vice-President of the EIB

# Part I

# MEDITERRANEAN SCENARIOS

# 1

## Rethinking Medinas in a Changing Mediterranean

*Marcello Balbo*

The rehabilitation of historic cities in south Mediterranean countries[1] emerged towards the end of the 1960s mainly for two reasons: on the one hand, thousands of rural migrants were flowing into the city where the medina is the obvious and only place to find somewhere to stay; on the other hand, the discourse on cultural heritage conservation was spreading beyond the borders of the north Mediterranean countries, where it had been introduced a few years before.[2]

The rapid urbanization which was taking place in the region was transforming the medina into a 'hollow space', 'a marginal deteriorated heritage lost amidst the urban magma'. Under these circumstances, two alternatives were envisaged: the further decay of the physical condition up to the point of demolishing whole blocks, or the conversion into a tourist district, which essentially meant that some outstanding monuments would be restored and a few prestigious houses would be renovated after the inhabitants had been evicted, with the rest of the medina becoming a slum area. A rehabilitation process that would include the whole of the medina was seen as highly unlikely.[3]

Some 25 years later we have to admit that the options have remained pretty much the same. The cultural heritage character of the historic city is by now widely recognized, as proved by the number of Islamic cities forming part of the UNESCO World Heritage List. Almost no one in any south Mediterranean country would envisage bulldozing the historic city today but as for the quality of life of the rest of the inhabitants, the alternatives have not changed much.

As in many other countries, the dilemma of preserving the physical conditions versus protecting the social context of the historic city has not yet been resolved. In fact, in most cases it has not even been addressed, since even

in those cities where some action for the restoration of the physical heritage has been launched, no strategy has actually been put in place to protect and improve the situation of the population, possibly with the exception of the medina of Tunis.

By contrast, present conditions have evolved considerably since the beginning of the 1980s. Although the historic city still remains as the economic and social basis for most people, the structure of families has largely changed, from extended to nuclear; the urbanization process and the growth of the population already living in cities have produced large metropolitan areas; migration flows *to* but now often also *from* abroad have substantially increased. Chapters 2 and 3 provide a thorough analysis of these and other issues.

The analysis of past and current trends and development is central to all hypotheses about the future of the historic city in south Mediterranean countries. This chapter proposes an analysis based on three time periods, the recognition of two main driving forces and formulates three possible scenarios for the year 2030.

## *Three Stages*

It was in the mid-1960s that attention was increasingly being paid to the conditions of the historic city, largely as a consequence of rapid urban growth caused by the rural migration flow or by internal as well as international conflicts. In 1967, the Association de Sauvegarde (ASM) was established in Tunis, the first such institution in south Mediterranean countries. The first analysis of the Casbah of Algiers was completed in 1972. In 1975, UNESCO launched the project for the first Master Plan of Fez (Morocco), addressing the issues of (i) the conservation and (ii) the role of the historic city in the framework of the rapid urban growth Fez was undergoing. During the same years the renovation of the Bab al-Faraj district in Aleppo (Syria) was discontinued, the local population openly expressing its preference for a 'preserving valorization' and its opposition to a 'destroying modernization' (see Chapter 4).

In almost all south Mediterranean countries new institutions were established and public opinion was beginning to support conservation. This new attitude certainly resulted from the manifest deterioration of a large number of the buildings inside the historic city, some of them up to the point of collapsing, but it was also fostered by the introduction of the conservation discourse centred initially mainly on the architectural elements, then on the urban fabric as a whole, finally to include nowadays the immaterial values the medina represents and contains.

The second phase, the 1990s, was characterized by the economic liberalization and the shrinking role of the state. Public authorities were neither able to meet the growing demand for housing, infrastructure and services, nor able to control the soaring informal building sector. Urban planning, already weak, was mostly seen as an obstacle to new investment. With economic liberalization, public investment in the historic city came to an end, or, in the few cases where rehabilitation projects were in place, was significantly reduced. At the same time conservation of cultural heritage was no longer viewed as an intrinsic element of urban planning, with the possible exception of those cities where its value had been recognized, such as once again in Tunis.

Although it is problematic to generalize, one can say that the deterioration of the historic cities of the region reached its peak in those years, when the emerging middle class showed its denial of the medina as a significant spatial reference and cultural identity. As a result, re-establishing the *centrality* of the medina was no longer a priority of the rehabilitation strategy.

The present one is the third phase, characterized by the increasing involvement of the south Mediterranean in globalization: one-third of the world's container traffic passes through the Mediterranean and, when Turkey is included, the level of foreign direct investment in 'developing countries' comes second only to that of China.

As a result of these new conditions, in recent years two main trends have emerged. On the one hand, some portions of the historic city are experiencing a wave of rehabilitation work. However, most such work concerns specific buildings, generally large, traditional houses wherever they are located within the urban fabric. In many cases they are transformed for tourism activities such as luxury restaurants and hotels or up-market arts and crafts emporia to meet the demand from the globalized tourist in pursuit of authenticity. On the other hand, the historic city continues to be a place where the large majority of the population is comprised of low-income families, who find themselves obliged to live in the medina because of a lack of alternatives but would like to move to other parts of the city that offer better living conditions. In fact, infrastructure and services within the historic city remain inadequate and have deteriorated due to the increasing poverty of the population and the lack of investment and maintenance.

These two processes have a major impact on the historic Arab city by infringing the 'egalitarianism' of its public spaces, which constitutes the essential factor of its uniqueness. The uniform model of the Arab house rests on the internal courtyard, at the same time making up the space reserved for the household and constituting the basic element shaping the whole urban fabric. The courtyard inhibits any external intrusion into the life of the

household, shielding it from unknown eyes and hiding the relations between family members, in spite of the well-established hierarchical order framing Arab society.

The breaking up of the spatial dimension is just one expression of the divides that have appeared at the social level. The medina is no longer a place of solidarity and open relationship among the households, between the notable living at the end of the *derb* and the households all around who could trust him and rely on his help. On the contrary, the historic city has evolved into a place where the majority of households live in overcrowded rented accommodation, with inadequate facilities which they try to adapt to their needs, thus affecting the typology of the buildings as well as the morphology of the urban fabric. At the same time, a minority of new residents have moved in. They are generally considerably better off than the older residents but in most cases their presence is temporary and they are essentially strangers to the social, economic and cultural context of the historic city.

The medina had already started experiencing similar modifications during colonial times and even earlier (see Chapter 3). However, in the 1990s it took a significant turn with both an intensification of the process and a change in character as a result of market internationalization and the arrival of significant foreign investment. From being a space of solidarity and inclusion, the historic city increasingly became a space of social polarization, segregation and spatial fragmentation.

### *Two Trends*

The medina presents very distinctive architectural as well as urban characteristics and it is often separated from the city centre. At the same time any medium- or long-term rehabilitation strategy needs to be based on a clear understanding of the overall spatial, economic and social context of the city. In this view, it is critical to highlight two major trends that have emerged in the more recent past.

First, in the course of the last 50 years, south Mediterranean countries have undergone major spatial transformations. Although the current population growth is slower than in the past, the impact of high fertility rates and rural as well as urban migrations on the urban context has been substantial. According to the most recent UN estimates, between 2000 and 2030 the urban population of south Mediterranean countries will grow from 175 to 278 million, representing an 80 per cent increase on average. However, in Syria it will grow three times as large, in Palestine by 150 per cent, while in Egypt

the 83 per cent increase will amount to approximately 24 million new urban residents over the next 30 years.

It is well known that the urbanization process involves primarily the coastal areas, where it has particularly serious impacts on the environment. However, another main feature of this process is the formation of large metropolitan areas and conurbations as well as the emergence of 'urban regions'. Over the 25 years spanning from 2000 to 2025, the population of the city of Cairo will grow from 10 to 15 million, Algiers will add another 1.8 million to the current 2.7 million, Aleppo's 4 million residents will make it the fourth most populated city in the region after Alexandria, with Damascus only slightly less populated (3.6 million).

Such growth of the urban population will add to the changes in the spatial pattern that have already taken place in most countries of the region. In Morocco, the 200-kilometre-long area spanning from Casablanca to Kénitra and including the twin cities of Rabat and Salé reveals an urbanization pattern that makes it essentially an urban continuum, home to approximately 7 million inhabitants or one Moroccan out of four. The Cap Bon peninsula, occupying the extreme north-east tip of Tunisia, is becoming more and more connected with the Tunis region, slowly converting it into a metropolitan area, as is the case with Algiers, with its urban structure extending by now eastwards all the way to Tizi Ouzou. In Lebanon, the coastal area stretching from Saida to Byblos, but easily including Tyros to the south and Tripoli to the north, is rapidly attaining the form of a single conurbation.

Under these circumstances the historic city has inevitably lost some of its importance. The medina's 100,000 inhabitants represent by now only 10 per cent of the total population of Tunis, 5 per cent when referring to Greater Tunis. Chapter 7 highlights the fact that the overall population living in the medina of Morocco adds up to a mere 5 per cent of the country's urban population. Even where the percentage is much higher, as in Marrakesh whose medina contains 22 per cent of the city's population, its share has fallen by more than half in only 20 years. In 1990, Damascus had lost more than a third of its residents since 1965, with only 42,000 inhabitants remaining in the old city. Though more recent data are not yet available, most observers believe that the trend has not changed significantly over the last 15 years – quite the contrary. The case of Old Cairo is even more impressive. The historic city is by now a negligible part of Greater Cairo, hosting a mere 1.5 per cent of the population and representing but 2.5 per cent of the urbanized surface, thus representing but a small fragment of the metropolitan area.

Secondly, the population of the historic city is made up of increasingly poor households. In the medinas of Morocco, consumption levels are about

20 per cent lower than the national average (see Chapter 7). A large part of the Old Cairo population only manages to stay and maintain their activities due to decades of rental control that protects them from being evicted through market mechanisms, thus benefiting from a subsidy system 'that enables them to survive'. In the Casbah of Algiers, approximately one-third of the buildings have collapsed as a result of total lack of maintenance, in spite of the various programmes prepared by the public authorities.

Such processes are not new, since affluent families began relocating to new residential areas outside the medina in the 1960s and 1970s, essentially for two reasons: to live in more comfortable conditions in the modern part of the city and to get away from rural migrants moving into the historic city. As mentioned, the majority of the population of medinas are low-income households, most of them having rented the place they live in since their arrival in the city after leaving their village of origin.

However, globalization has also produced other means of impoverishment. In the past, the medina had always been the place that provided employment opportunities to the majority of the urban population, including rural migrants. Today, traditional activities have to confront the higher productivity and innovation of international competitors that influence/dominate the market and further reduce the already low revenues of local producers.

At present, the process of gentrification is still slow. It is obvious, however, that it is taking place in various medinas of Morocco such as Fez, Essaouira, Asilah and Marrakesh and is now also starting in Tangiers and Tétouan. Although it can be reckoned to be still marginal, it represents a clear indication of the growing interest of the market in the historic cities (see Chapter 5). In Syria, national as well as international capital expenditure is drawn into the historic cities in Damas, Aleppo and Hama with a view to converting traditional houses into second homes, hotels and restaurants for affluent non-resident and foreign visitors. Although no actual gentrification is taking place there, many residents of Old Cairo are ornamenting the façades of their houses in imitation of the classicist architecture currently fashionable in the new suburban, gated communities (see Chapter 4).

The process of gentrification still involves relatively few traditional houses scattered in different parts of the medina, and less frequently whole neighbourhoods. Although still limited to a relatively small number of buildings, such changes translate into further social exclusion because real estate appreciation coupled with rent increases are inevitable. On the other hand, the replacement of traditional stores with shops addressing the demands of wealthier national and international tourists tends to produce a general increase in the cost of living.

The historic city may still represent a symbolic reference for a part of the population. Nevertheless, there are fewer and fewer households prepared to consider it a promising place to live and difficult working conditions are driving out economic activities. The exceptions are, at one extreme, the poor and, at the other, some national and international investors attracted by the exotic character of the place but, more often, by the expectation of promising financial profits linked to real estate operations.

## *Three Scenarios*

Based on current trends, it is possible to formulate some hypotheses for the likely scenarios with which medinas will be confronted in the next 30 years. These scenarios appear to be a common thread running through the different chapters of this book, with only minor differences. Here they are presented within a perspective that encompasses all situations and makes them comparable, though in full awareness of the very different past and present situations of south Mediterranean historic cities. This common perspective is possible because they share many social, spatial and cultural features due to a common past and they are subject to similar trends that will most likely produce similar consequences.

### *Resilience*

This is based on a trend scenario prolonging current conditions. For this reason there are good chances that it will prevail, at least in the first years. The governments of the region will continue to have only limited interest in adopting effective strategies for the rehabilitation of historic cities. They may adopt some specific actions and implement a few projects to prevent buildings from collapsing or to restore monuments of high interest, if only under the pressure and financial help of international organizations. However, these actions are carried out in the absence of an overall urban planning vision necessary to define the types of residential and economic activities the medina can effectively accommodate and the role the historic city should play within the wider urban context. Besides, these actions are not suitably geared to the social and economic context of the medina since they do not establish what are the housing conditions that have to be provided to households depending on their income level or what is the quality level of the infrastructure and services that must be put in place for the various types of economic activities envisaged.

The likely outcome of the 'resilience' scenario is a further deepening of the social and spatial differences that emerged in the 1990s and caused the medina entity to break up into different parts. On the one side, the physical, economic and social conditions of the medina are increasingly poor and, on the other, some areas are being gentrified through a slow, ongoing, 'creeping' process of rehabilitation, with the local population opposing it because of a lack of alternatives for their housing and employment needs. Paradoxically, however, such resilience could result in the most effective element for maintaining a relatively stable equilibrium between the two, or multiple, medinas, reducing or at least slowing down gentrification and the related evictions.

### *Hindrance*

This is the least likely scenario, though highly valued until the end of the 1980s. It rests on the idea that rehabilitation can be entrusted only to the government. In most cases this was translated into the adoption of rules inappropriate to the residents' needs and priorities and to their economic conditions, including their ownership or rental status. Such a top-down approach has been ineffective and a serious obstacle to all rehabilitation activities, pushing the affluent households to move elsewhere and thus fostering the deprivation and physical decay of the historic city. By now it is evident that the government cannot cope alone with the scale and complexity required by a sound rehabilitation strategy, if only because of its limited financial and technical means.

The housing demand of the low-income population, as well as its needs in terms of infrastructure and services, require flexible innovative solutions that hardly fit with the rather narrow-minded approach of standard government action. The likely result is an increasing divide between the way public authorities would like the medina to be, following the rule and easy to manage, and the medina as it actually is, mostly informal and often irregular.

### *Bonding*

The third scenario takes its stand on the realization that any rehabilitation strategy requires a number of resources, financial and otherwise, that governments do not have available at present and are unlikely to have in the medium term. Accordingly, there is the need for shared projects and strategies in which all stakeholders will participate and be able to mobilize sufficient resources. As shown by a number of large projects recently completed or currently being

implemented, the historic city increasingly attracts interest from national as well as international capital. Projects such as 'La Porte de la Méditerranée' (the project on the waterfront of the Tunis lake which cost 25 billion US dollars and was financed by a Dubai-based real estate company), the redevelopment project for the Bouregreg valley between Rabat and Salé (Morocco), the Magazan development project near Azemmour (Morocco), as well as the Darb al-Ahmar rehabilitation project in Cairo, all show that proximity and connection to the historic city are valuable assets. Opposed to this, the King Feisal Street project in Damascus is an unfortunate misapprehension of the role the historic city plays in the urban fabric, based on an outdated and erroneous modernist vision.

The 'bonding' scenario seems to offer the highest opportunities for a sustainable development of the medina in the medium as well as long term. The public sector needs to reap an adequate part of the financial benefits originating from the projects dealing with the historic city and to earmark them for the improvement of the living and economic conditions of its inhabitants and visitors. In such a scenario, the gentrification of portions of the historic city through the transformation of traditional buildings would represent an opportunity to foster cultural heritage conservation while providing the residents with conditions at least similar to those existing in the low-income housing areas outside the medina. The medina can only contribute effectively to the development of the city as a whole if rehabilitation is viewed as an opportunity to promote social inclusion, itself a precondition for sustainable spatial inclusion.

Even before urban policy, the rehabilitation of the historic city has to do with urban politics. The medina is unquestionably a common good that must be preserved; more than that, it is an asset and a potential lever for the city and its inhabitants as a whole. All rehabilitation strategies and changes that need to be introduced have to be thoughtfully governed so as to preserve the historic and cultural values the medina symbolizes and presents, to the benefit not of a small minority of privileged people, but of the whole urban community, residents as well as visitors.

# 2

# Economic, Environmental, Social and Political Trends: Perspectives, Hypotheses and Developments

*Raymond Benhaim, Ghazi Hidouci and Gustave Massiah*

### *The Mediterranean in the Context of Globalization*

Any prospective approach examining the next 20- to 30-year period must consider multiple scenarios – trend-based, worst-case or desirable. Within this time frame, variables to be taken into consideration include population distribution in the region, urbanization trends, infrastructure development, production location and geopolitical conditions. A 50-year perspective is needed to address adequately issues such as demography, the environment, innovation and research, as well as changes in social sytructures, scientific thinking, attitudes and culture. For these matters, within the bounds of a 20-year interval, rather than identifying deep-seated shifts or assessing the implications of potential redirections, one can only pinpoint potentially emerging trends and the extent to which these are in line with longer-term tendencies. Any prospective approach also requires projections. However, one cannot assume linearity. On the contrary, emphasis is placed on discontinuities – those crises and breaches which, far from being mere accidents, may lead to significantly different future scenarios.

The method proposed here consists in identifying those evolving contradictions which could plausibly shape the future of the area and analysing them within the historical context of the Mediterranean. Glances at the past will help shed light on the contradictions currently at work in the area. As latent and manifest contradictions unfold, junctions and forks in the road will appear, allowing for the analysis of potential scenarios. The present text thus does not intend to offer forecasts or predictions. Rather, elaboration, interpretation and deepened understanding aim to highlight possible alternatives for the future.

Contradictions are analysed on the assumption that change is always driven by a logic of dominance stemming from power systems that are neither uniform nor unified. These contradictions result from a combination of different logics and interests which in turn shape strategies and policies. At the same time, forces that oppose the power system while inevitably participating in it are at work. This constant confrontation moulds the perceptions and contradictions of those in power, leading to changes in the dominant logic and, at times, to crises which make necessary deep structural readjustment. As they highlight possible ways to avoid crisis, scenarios help shed light on the nature of the contradictions currently at play as well as on their potential future evolution.

The future of the Mediterranean region is inescapably linked to globalization trends. Though it may seem a relatively recent historical trend, globalization is in fact some centuries old if viewed in the context of the 'world system' that began with Genoa and Venice, and expanded across the planet from 1492 onwards. Globalization, however, moves through phases and cycles, some of which are as long as 150 years, while others last only 30 to 50 years. The cycle-and-phase perspective gives fresh momentum to a prospective approach, setting out the scenarios within various time frames which all favour the longer term.

The current phase, debuting in the early 1980s, took the place of another, often referred to as the Fordian or Keynesian phase, in course from 1945 to the end of the 1970s. The latter phase featured major changes, including the end of the colonial era together with industrialization and urbanization, which in turn helped shape the evolution of the Mediterranean region. The more recent 'liberal-global' phase is characterized by a strong expansion in the global demand for goods and services as well as by the creation of a world capital market. The priorities of economic policies became a fight against inflation and the adoption of structural adjustment programmes that would allow national economies to adapt to the world market. International institutions brought about new forms of regulation on a global scale. The World Trade Organization (WTO) for the world market, the International Monetary Fund (IMF) for monetary crises, debt and finance regulation, and the World Bank for structural adjustment and development programmes. All countries in the Mediterranean region have subscribed to this dominant logic, adapting it to their specific conditions.

Several indicators suggest that the logic underlying the current phase is being seriously questioned. Though the latest financial crisis has been particularly severe, it was not the first of the period and it falls short, on its own, of characterizing a structural crisis. A more serious cause for concern

is the chain of crises that have emerged in recent years. The monetary crisis augments uncertainties over currency realignments. The economies of many countries have been critically affected by the sub-prime mortgage crisis in the United States. The current acute food crisis may affect stability even more seriously. Whether these circumstances will bring the present 'liberal-global' phase to an end, or bring about readjustments that allow the system to survive for some time longer is uncertain. However, it is likely that by 2030 a new phase will have emerged, the contours of which remain elusive at present. A number of overarching scenarios can be envisaged that will reflect the logic prevailing throughout the entire world system, including the Mediterranean area.

In order to explore potential future scenarios for the Mediterranean region, the following pages will draw attention to the main trends and long-term contradictions that characterize the current situation, assuming a convergence of four distinct crises: (i) an environmental crisis, (ii) a crisis in dominant economic and social systems, (iii) a geopolitical crisis and (iv) a crisis in power models and value systems.

The environmental crisis elicits a growing awareness of the dangers current development models create for the planet's ecosystem. The socio-economic crisis is characterized by a combination of financial, monetary, real estate and food crises that challenge the global economy. The geopolitical crisis has to do with the weakening of US hegemony and its differing effects on the various regions of the world. The crisis concerning power models and value systems challenges the very nature of power, raising issues of rights and inequality, as well as of freedom and democracy.

This line of thinking narrows the focus of analysis on five issues with which the Mediterranean region will be confronted: the environment, societies and economies, politics, geography, and urbanization. Since these five dimensions are in no way independent of each other, each is dealt with considering its relation to the others.

For each of these dimensions, this chapter formulates specific scenarios which, though hardly all-encompassing, highlight main contradictions and opportunities, while exposing the background for local, national and regional policies. The alternative of drawing up exhaustive scenarios, including all of the various issues from the onset, is not viable, due to the absence of any single form of authority for the entire Mediterranean region, and the unlikelihood that this authority will exist within the next 20–30 years. Instead, distinct scenarios can help identify both problems and opportunities, raising awareness and pointing out what sort of coalitions need to be built between civil society organizations and governments to reach desired objectives.

The bulk of this chapter focuses on the southern banks of the Mediterranean. Not because the northern part is less interesting, but because its evolution is entirely determined by its membership in the European Union. Though not drawing up any specific scenarios for Europe, the chapter emphasizes the two-way relationship between both areas, as well as with the Near East and the EU. Beyond this, the scenarios pertinent to ongoing changes in globalization illustrate patterns that are shared by both northern and southern shores, paving the way for an overall view of potential future perspectives in the region.

## *The Mediterranean Identity*

The Mediterranean joins Africa, Asia and Europe. 'The Mediterranean [is] a very old crossroads. For thousands of years the Mediterranean has been taking in, cultivating and acclimatizing everything that was moving around in all the known areas of the world. The outcome is an extraordinary diversity of men and women, cultures and species. Biological and cultural diversity is the very essence of the Mediterranean, with its cohorts of violent conflicts, unlikely convergences and bouts of intense fusion.'[1]

The Mediterranean is a platform for the circulation of knowledge and culture, goods and initiatives. It is a hub, a catalyst, a relay platform as well as a privileged area of interfacing thanks to its geographical location and communication infrastructure – a true circulation system. 'Land and sea, terrestrial and maritime routes all link up together, with the towns and cities dotting the roads ... that is to say, a complete circulation system ... The Mediterranean is, in the strongest sense of the term, a motion-space.'[2]

For Braudel, climate is the unifying factor. 'The essential unity of the Mediterranean lies in its climate, a very particular one in that it is the same from shore to shore, unifying landscapes and lifestyles. It is largely independent of local physical conditions, structured as it is from the outside, through two-way currents, one from the Atlantic Ocean, its neighbour to the West, and the other from the Sahara, its neighbour to the South. The desert and the ocean.'[3]

The Mediterranean is characterized by not only its unity, but also its divisions. The most recent and serious dividing line is the one which splits the countries on its northern shores from those on its southern shores. 'Geography and history were influential in delineating a median border of shores and islands which, from North to South, splits the sea into two hostile worlds. … To the East you are in the "oriental" world, to the West in the

Western world, in the full classical sense of these words. It is no wonder that this pivotal point has acted as the front-line *par excellence* of battles past ….'[4]

Undoubtedly, the defining element of the Mediterranean is the sea, but the region encompasses different areas determined by the historical periods, the geographical continuities, and the specific issues under examination. The first ambit is that of its seashores, coastal cities and coastal regions. The second ambit includes the whole of the countries looking onto its shores, through which geopolitical evolution can be more easily analysed. The third ambit encompasses the wider geo-cultural areas radiating out from, or ending up on, Mediterranean shores. This includes Europe (i.e. the EU), on the northern shores, the Balkans to the east, the Maghreb and the Sahara to the west and the south, the Mashriq, including Egypt and Lebanon as well as Syria, Iraq and Israel and stretching all the way to Iran. In this wider perspective other countries such as Pakistan and Afghanistan along with Iran, Saudi Arabia and the Gulf countries, as well as the Black Sea beyond the Balkans, must be considered as well.

Empires were the unifying force of the Mediterranean, and their successions shaped its history. Egypt and Mesopotamia are testimony to a historical rooting in the earliest of ancient times. Although Alexander's empire focused on Asia, Greek migration acted as a link between different parts of the region. The Roman Empire imposed the *pax romana* and shaped a common base. The Arabic empire made its mark on both northern and eastern shores. The Christian empires provided the backdrop to the Renaissance. The Ottoman Empire unified a portion of the Islamic world. European colonial empires crafted new countries and imposed their controversial mix of technical and political capacities as well as hegemonic modernism based on domination. For many Europeans, the colonial empire remains a reference still today.

Wars at the borders of these empires went hand-in-hand with internal pacification. Law and order was adapted to a diversity of communities. Continuous changes in boundaries and nations have made it difficult to preserve the many forms the nation-state has taken over the course of time. Historical rooting and constant civil renewal are both intrinsic to Mediterranean people.

On the other hand, the Mediterranean is not the outcome of imperial spaces. It is, fundamentally, a network of self-contained cities. The history of the Mediterranean is above all the history of Mediterranean cities.

The earliest urban revolution took place in the alluvial plains of the Nile, the Tigris, the Euphrates and the Indus.[5] In that region, city-states rose up *before* the unravelling of the great empires, and not as a consequence of them.

In contrast, Alexander the Great scattered many cities, a good many named after him, as he rode eastward. Along the shores of the Mediterranean or in the Mediterranean region, the imperial capitals controlled the whole of the known world. Such was the case with Babylon, Athens, Rome, Constantinople, Baghdad, Cairo and Istanbul. In many instances, the foundation of an empire began with competition between cities. The three monotheistic religions centred on the Mediterranean region – Judaism, Christianity and Islam – started off in successions of cities before broadening out into whole empires. A new generation of merchant cities accompanied the transition to a new 'world system' and a new kind of globalization. Among these, Genoa and Venice stand out as the most remarkable, and Braudel, as he witnessed the one take over the other, made no hesitation in referring to both as the cities at the centre of a new capitalist world.

Today, a dense network of major cities remains at the backbone of the Mediterranean space. A number of coastal cities are both dynamic and ambitious. Among the most representative of these are Istanbul, Athens, Naples, Marseille, Barcelona, Tangiers, Casablanca, Algiers, Tunis, Tripoli, Beirut and Alexandria.

Giving priority to civilizations first, even though they do not make up the whole of history, Braudel suggested that three in particular must be seen as defining the Mediterranean: 'First of all the West; or perhaps better Christianity,[6] an old word overloaded with meanings; or perhaps even better *Romanitas* … The second defining universe is Islam, covering the vast area extending from Morocco beyond the Indian Ocean as far as insular India … The third may not be immediately visible today, namely the Greek world, the Orthodox world … .'[7] This approach is particularly interesting, as it challenges a vision based on a binary split which is often considered as self-evident. From the moment a hopeless head-to-head confrontation is left behind, new and revealing perspectives become imaginable.

Two distinct perspectives can be formulated regarding the renewal of a sense of identity in a Mediterranean no longer at the centre of the world. The first perspective is one of multiple identities. Every Mediterranean individual, community and country maintains several identities. These Mediterranean cultures are bound together, and cannot be analysed in isolation; in line with Deleuze and Guattari, they can be referred to as 'rhizome-like' or organic. Therefore, any quest for a new identity must be based on a recognition of the Mediterranean features inherent in the original identity. This does not refer to common features, but rather to specific features shaped through their relationships to other identities. Such a Mediterranean identity is able to open up to the world in its complexity.

The second perspective has to do with social movements. At present, governments are not at all interested in the construction of a common project for the Mediterranean. And yet, social groups do meet and co-operate. Beyond all the wars waged, and hostile attitudes and passions challenging each other in the name of allegedly irreconcilable cultures, the citizens of the Mediterranean need to emphasize their mutual problems and common challenges: farmers, city-dwellers, women, environmentalists, civil rights militants. As Duby wonderfully put it: 'In no way have we renounced the old legacy, though we have opted to dwell in its darker domain. … The sun, for sure, but a tragic one. The Mediterranean Sea, for sure, but rough and heady. The Mediterranean of the poor.'[8]

### *A Socio-Economic Approach to the Mediterranean*

All the great strides in the collective concern about the environment and common awareness of the planet's ecosystem have not led to common strategies. So far, environmental policies have proved to be little more than corrective in nature, and are often only marginal, both in Europe and, even more so, in other parts of the world. They do not fully question the current development model, nor its determining factors and its consequences. The scenarios will consider such a challenge as a perspective that is just emerging, whose sustainable consequences by 2030 are difficult to predict. When addressing economic and environmental dimensions in an integrated way, the environment often ends up being overlooked and considered only as an afterthought. In a bid to highlight its importance, the following paragraphs distinctly focus on the environmental dimension.

As already stressed, the northern countries of the Mediterranean Sea will not be taken into account, as trends in those countries over the next 20 to 30 years will be largely determined by EU membership and EU policies. The analysis will also not examine the various sub-regions (Maghreb and Mashriq, Turkey and the Balkans, Southern Europe). Instead, the approach will centre on the current overall changes in the region based on the fundamental divide between north and south. In this respect, the eastern area appears to be somewhat peculiar. Here, sharp discontinuities have emerged in the recent past and the future of the area depends largely on future EU enlargement. Thus, focus will be primarily on the southern Mediterranean, as this is where the main problems and contradictions lie with respect to the future of a fully fledged Mediterranean Region. The basic assumption is that on the northern and even eastern shores, any obstacles will prove less

challenging, and that in any case they are part of the broader issues besetting the whole region.

The Mediterranean has a population of 150 million, unevenly scattered among steep mountains, narrow coastal plains and vast plateaus and deserts with low or very low population densities. Over the last 30 years, the Mediterranean's population has doubled. Although birth rates are sharply declining and the region has now entered into a phase of demographic transition, the proportion of the population under 15 years of age remains high. Rural migration towards the main urban centres is striking; at present, more than half of all Mediterranean people live in towns. Migration from the east and the south to the north has always been significant, even if it is now contained through authoritarian and at times tragic measures. Paradoxically, the rejection of migration flows from the south takes place as tourism influx from the north continues to grow. Every year, the Mediterranean attracts some 200 million visitors.

Far from involving only tourists, these flows also include 20 per cent of all oil tankers and 30 per cent of all merchant ships in the world, the total annual traffic amounting to 120,000 ships. Up to 70 per cent of southern Mediterranean countries' trade is with the EU. Exports include raw materials and minerals (oil, gas and phosphates) as well as agricultural products and textiles. The bulk of the sub-region's imports are manufactured goods and food. Bilateral trade agreements remain unfavourable for southern countries regardless of low wages and short distances.

In the year 2000, the primary sector constituted on average a hefty 17 per cent of the GDP in all southern Mediterranean countries. The central role of agriculture in the economy of the sub-region is evidenced in employment patterns. For all its typically harsh conditions, agriculture still provides jobs for close to one in every four participants in the labour force, who are lured by poverty and poor access to basic services into migration to urban areas or abroad. Growing water shortage is a critical issue. Housing is scarce and often in poor condition. Health and education systems are becoming more and more deficient and exclusive.

The southern Mediterranean lies at the centre of the competition for energy resources, from Algeria and Libya to the Near East, which today sees Iraq at its epicentre. Though hardly a blessing for many populations in the twentieth century and into the early years of the new century, oil is associated with a radically novel type of scenario. The oil industry is at the centre of internal rivalries (Algeria, Morocco) and even wars (Iraq). Still synonymous with economic growth, energy today has come to symbolize a danger which, if left out of control, is a threat to the planet. Mediterranean economies are

affected by energy dependency to different degrees. Some, such as Tunisia and Egypt, are close to self-sufficiency, while others, such as Libya and Algeria, are exporters. However, most countries import energy, such as those on the northern side including Spain, Italy, France, the former Yugoslavia, Turkey, Lebanon, Israel and Morocco. Oil and gas could perhaps have acted as a bridge connecting the two sides, such as through swapping oil for industrial know-how. Two gas pipelines run all the way from Algeria to Italy, and another two (one of which is still under construction) between Algeria and Spain,[9] which serve Southern Europe. Oil and gas have also played a major role in the creation of regional organizations such as the Arabic Maghreb Union. However, the gas pipelines referred to above operate on a conventional commercial basis, in the absence of any industrial partnership which might have acted as the engine behind a growth scenario. Energy is hostage to a logic of subservience. Beyond this, however, energy has a regressive effect for both importing and producing countries. Energy constraints are hurdles to the access Mediterranean economies have to world markets. For instance, rises in production costs are making competition much more difficult worldwide for produce- and food-exporting countries[10] such as Turkey, Tunisia and Morocco. As for Algeria, its prospective WTO membership is in doubt as it refuses to put an end to domestic gas subsidies.[11] Still, the energy sector has strong potential for bringing about a greater degree of *geopolitical autonomy*[12] to the Mediterranean basin. Together with the major seaport infrastructure along the southern Mediterranean, energy pipelines exert strong leverage for a repositioning of the region in the new political map brought about by globalization.

In the 1960s, in most of the countries along the southern Mediterranean shoreline, development was embodied in the drive towards decolonization. Admittedly, these countries were starting off from rather low social and political levels and their main concern was to enable the population to benefit from the end of colonialism both socially and economically. In this framework, national liberation movements were not concerned with political compromise, and their decision-making largely ignored the interests of those social and economic stakeholders they did not directly represent.

In theory the new middle-class leadership derived the bulk of its income from wage-earning, but in reality its power has been acquired through the control of state industries. Its legitimacy has rested mainly on its anti-colonial stance and nationalistic vision, regarded as sufficient for representing the common interest. Its capacity to mobilize the population in the early days, in turn, justified the postponement of democratic rule, under the pretence that mass mobilization by itself grants legitimacy. This stance has

only managed to bring about the political disenchantment of the majority of the population.

Against this background, the development model combined the Keynesian economic policy that was the hallmark of European post-war governments with the Soviet model of heavy industries. In the countries of the south, this involved heavy doses of governmental centralization and authoritarianism.

The outcomes of the social and economic policies implemented between 1965 and 1985 were mixed. Economic growth was significant, with an average 3.7 per cent annual GDP increase.[13] The momentum was driven by rapid capital accumulation and high levels of investment, averaging at 23 per cent of the GDP,[14] supported by rising prices of oil, gas and raw materials which the region has in abundance. Capital expenditure capacities and favourable terms of trade attracted a wealth of foreign capital, though often at high interest rates and for projects with uncertain returns. The favourable economic conditions also resulted in the loosening of state budgets, bringing about significant employment growth, relatively high salaries in the public sector, the introduction of welfare policies and the subsidization of staple goods.

Living conditions improved considerably, but the model was bound to face the problems typical of rentier economies, namely:

- The bureaucratic and authoritarian nature of political regimes
- Agricultural production largely dependent on climatic conditions
- Inadequate water management and improvement of soil conditions
- Inadequate market regulation mechanisms, discouraging savings, investment and risk-taking
- Weak economic growth and uneven income distribution among populations and regions
- Strong control over the private sector, resulting in only limited economic diversification
- A decrease in productivity by 0.2 per cent per year between 1960 and 1990,[15] and labour productivity in particular. This was mainly due to inadequate investment and unprofitable capital expenditure based on poor economic planning. In addition, public sector management became excessively politicized, retaining unproductive labour to reduce unemployment rates. Yet, unemployment is still endemic, amounting to 15 per cent on average, and double this amount among the younger labour force

In contrast, in those same years, northern Mediterranean countries experienced rapid industrialization and high levels of economic growth.

Italy and France significantly benefited from integration into the European economy and the resources they received from Brussels to promote Keynesian policies, particularly as far as agriculture was concerned. Since the mid-1960s, migration to France and Germany from the southern (Maghreb) and eastern (Turkey) Mediterranean gradually substituted that from Spain, Portugal and Greece.

By the end of the 1970s, the development model in the southern Mediterranean was undergoing a deep crisis. Room for manoeuvre in foreign markets was on the wane due to the international debt and currency crises, paving the way for a highly perilous dependence *vis-à-vis* the rest of the world. Internally, the governments' social base was undermined by lower financial resources and poor management of the public sector, coupled with the totalitarian course most governments took as they came under stress. The lower-middle class gradually settled for diffidence and inertia, with a more radical youth opting for deliberate refusal.

New directions were envisaged for development. In countries with socialist leanings as well as where the government supported the private sector, economic policy was set on a new course to face the indebtedness, inflation and inefficiency which all southern and eastern Mediterranean countries had to grapple with. Governments viewed the debt crisis as an opportunity to change discourse, emphasizing the pressure external factors were exerting on national economies in order to dilute their own responsibility.

This called for a combination of political will and strong decision-making capacities that would speak to public opinion. Many obstacles made this a nearly impossible task in the whole area, although some countries managed better than others.

The outcomes of the economic and social policies of that period were rather lacklustre, to put it mildly. In effect, the new course translated into reduced purchasing power, devaluation, higher taxes and drastic cuts in welfare benefits. Lower exchange rates affected the so-called 'modern' sector of the economy, causing further decreases in the purchasing power of both the middle and lower-middle classes in the region. Where the agricultural and manufacturing sectors had started substituting expensive imported goods, a fresh export drive was encouraged in order to obtain foreign currencies, only to the detriment of local good crops.

Devaluation did not go hand-in-hand with adequate monitoring of foreign trade or incentives for productive investment. As a result, capital went *en masse* into land and real estate as well as speculation on commodity prices, at a time when trade had been liberalized. This in turn caused services to deteriorate sharply as no one was prepared to subsidize them.

Free market policies resulted in a deep loss of legitimacy for governments. In practice, however, the objectives of liberalization were disregarded after just a few years, only to be totally abandoned. One of the reasons given for such change was the unfavourable international situation. Indeed, this largely restricted any margins for internal action, but it had little to do with the socio-economic outcome, even more so in those economies which did not rest on export rents or capacities. Poor economic management, the other main reason for the marked economic and social deterioration, was recognized only too late to recover from the damage it had wreaked. The reforms made under the aegis of international financial institutions were implemented without foreseeing the need for more democratic regimes, or any modification of the rent-based economic model and income distribution pattern.

As mentioned, during the same period, various Southern European countries managed a highly successful entry into the European Union, switching from dictatorship to democracy. Benefiting from robust financial support from what was then known as the European Community, they managed to set up a strong budgetary and monetary discipline as well as high savings rates, guaranteeing satisfactory rates of return to investments. Through enhancing the liberalization of their economies, they were able to protect domestic markets for as long as needed where they had rising industries, and most of all to open up urban markets for agricultural products. Through appropriate internal policies, income differentials between urban and rural areas declined, incentives for the adoption of new technology were provided, and educational programmes were introduced to make their economies more able to compete on the international market.

At the end of the 1980s, the European Union took on a new direction. Global markets became the predominant concern, shaping the development model. Integration into the world economy and involvement in the World Trade Organization highlight Europe's growing ties with the US economy. The fall of the Berlin Wall in 1989, the unravelling of the Soviet Union and the German reunification all contributed to change Europe's economic and political orientation. With the new political direction prevailing at the time, Central European applicants for EU membership were not as well prepared for it as had been the case with their Southern European predecessors, and the enlargement of the EU ended up in a crisis for the Union.

Europe turned away from the Mediterranean. Northern European countries increased their economic power, while the war in the Balkans pushed a large portion of the eastern Mediterranean into the background. The shift from industrial to financial models changed the scenario and the Mediterranean came to be seen as a new, hostile and dangerous border,

primarily regarding migrants. The sea became an obsession for northern countries, which imposed the adoption of tight migration control as the basis for European co-operation.

Any future prospect for agriculture in the Mediterranean depends on the economic orientation adopted. In southern and eastern Mediterranean countries, the rural population represented as much as 42 per cent of the total in 2003, or 110 million people, of which 70 million were located in 'difficult areas' (i.e. those with no irrigation and less than 400 millimeters' rainfall). The number of people working in the agricultural sector is on the rise, and actually doubled between 1965 and 2004. So far, liberalization has brought about a sharp rise in prices, although WTO projections had hypothesized their fall. Agricultural research essentially focuses on how to increase productivity in temperate areas, without any regard for the 'difficult' areas that are precisely those where agricultural employment and rural populations are increasing. Subsistence agriculture is jeopardized; farming and cattle breeding will no longer coexist with self-consumption and trade, and the reduction of migration will compound poverty in rural areas.

Several scenarios have been proposed for a desirable future in the Mediterranean, namely:

- Ensuring food security for all
- Expanding the market for agricultural products
- Promoting development strategies for rural areas
- Strengthening and extending training and research capacities

The two initial scenarios are based on projections of ongoing trends. While one simply tracks these trends, the other represents a 'disaster scenario' perspective.

The first, 'trend-based' scenario focuses on the implications of the globalization process within its current trajectory. It highlights the threats to biodiversity caused by population growth and endemic 'mis-development', the ever-intensifying pressure to develop on agricultural land and the rise in conflicts due to wastefulness and greed. This scenario envisions the Mediterranean as a region 'moving towards dissolution'.

The second scenario hypothesizes an exacerbation of these phenomena. This crisis scenario is the result of both internal and external elements at work in the Mediterranean, which obstruct the gradual emergence of a Euro-Mediterranean reality. This kind of evolution could give rise to a number of consequences, among them the partial loss of Mediterranean agriculture's distinctive character, as production would be determined exclusively by

commercial interest, a definitive breakdown in the continuity between rural and urban spheres in the south, and a greater divide between Europe and the Mediterranean.

The third scenario sees the Mediterranean move towards a disorderly sort of integration into the current logic of the global market. It envisages a 'multiple-speed' Mediterranean with distinct future perspectives, both competing and complementary. It considers varied political choices reflecting an unco-ordinated diversity of 'responses' on the part of governments and other entities, an extension of south-south co-operation programmes, as well as some common interest concerning critical issues, such as climate change or food crises, that may result in specific political agreements.

The fourth and most desirable scenario contemplates a reinvented Euro-Mediterranean area, based on a strategic merging of the resources of both north and south in order better to face global dynamics. The main premise behind this scenario is a redefinition of the EU Common Agricultural Policy (CAP), which would transfer a portion of the funding allocated to the first CAP 'pillar' to the second, thus extending implementation of rural development policy to countries in the south.

### *Socio-Economic Scenarios*

To explore a plausible future for the region, two additional scenarios regarding the relationship between the Mediterranean region and the world economy will be examined. No extreme scenarios have been considered. Neither of the two scenarios assumes that the Mediterranean region will dissolve into or cut itself off from the world economy. Instead, focus is placed on what kind of relationship the region will have with the global economy. The first of these scenarios foresees a more thorough integration of Mediterranean countries into the global market and its current laws. The second sets forth a pattern of closer regional structuring based on some changes in existing economic and social policies. Quantitative models and qualitative analyses presented here draw on the two major reports that are central to this study.[16]

In the first scenario, the global market dictates the prices and terms of access to basic goods and services; trade barriers are eliminated and subsidies are scarce. Against this background, inequalities would most likely not be reduced and poverty alleviation programmes would not become more efficient. Governmental expenditure on issues of public interest such as environmental protection, infrastructure and education would remain proportionally unchanged. Economic growth may well be high, but concrete benefits would

remain just as unequally distributed. All of this would exacerbate the already contested demographic movement between north and south, and effect further strong migratory flows of young people. Severe crises in the system, ingrained in its very logic, may bring about tragic situations – as they already have – and result in serious conflict, even if brief. For this reason, this scenario has been labelled the 'conflictive liberalization' scenario.

The defining feature of the second scenario is its break away from current trends. It does not ignore the international market, but assumes that countries in the region could feasibly develop a co-ordinated regional policy. In this perspective, governments would develop market schemes combining solidarity with the needs of the bulk of the region's population, while providing long-term protection against future environmental degradation. Sustainable development would be a defining objective of any regional agreement. Economic growth would be determined by changing demands, which in turn would reflect the need to preserve ecosystems and scarce resources. Such growth would feed on the strong momentum of regional and local markets. This approach essentially assumes that markets would operate in such a way as to be accessible to the population. For this reason, this scenario has been labelled the 'access-to-rights scenario'.

### *The 'Conflictive Liberalization' Scenario*

While this scenario currently remains the predominant logic, it collides with the realities of countries in the area and their regimes. This logic has indeed brought about some fundamental changes in the nature of power. It has triggered an increase in the power of a business-based middle class linked to the global market and major world powers, but it has also failed to bring about the sort of regional modernization that had been anticipated.

State management is the major culprit. It has generally reinforced the power of money-dominated networks, protecting them under special legislation. This affects political policies concerning land appropriation and access to scarce resources, which in all the southern countries cause conflict. The situation becomes uncontrollable for a political class completely cut off from its citizenry. The disappearance of socially oriented regulations only compounds the trauma for the younger generations, as families implode, women are isolated and many young people are driven to revolt. The major challenges the region has to face call for a clear break from this disastrous social management. The situation is further compounded by factors of a specifically *political* nature, namely issues of democracy and war.

Whether open or latent, a continual backdrop of war has had a four-fold effect on development:

- Since 1948, the risk of war has been used to justify emergency legislation, absence of rule of law, and authoritarian regimes. Any dynamic moving towards political freedom is hindered by this impending threat.
- This dangerous *status quo* diverts huge resources into military spending;[17] it also fuels permanent competition for leadership between various factions, who may resort to violent or indirect methods of pressure and destabilization, including by now endemic terrorism, as well as civil war in more vulnerable areas.
- These factors have stood in the way of any viable economic and humane structure at a regional scale, and are one of the major causes of the economic and social problems experienced by Arab countries. They cripple growth, jeopardize prosperity and restrict freedom in the Arab world.[18]
- Large investments with deferred yields require more than purely economic assurances when they venture into the region, contributing to misconduct, embezzlement and political as well as economic corruption of the powers that be. Financial capital and short-term speculation are becoming the rule.
- The danger in pursuing the global-market model in the Mediterranean region is that it paves the way for a disastrous 'conflictive liberalization' scenario, where an economic logic limited to those sectors directly geared towards the international market would coexist with a military form of public sector management. Another sort of evolution may also be possible which would leave more leeway for development-oriented perspectives, though still in line with global market scenarios.
- Since 2003, many countries along the southern shoreline have been accumulating substantial foreign currency reserves. At issue is how these can be turned into sustainable productive capacity and how a system allowing Mediterranean populations to live in a dignified manner for the future can be developed. Such a system must be able to meet current challenges and at the same time refrain from imposing any new and insurmountable constraints of its own.

There are some factors which may facilitate this sort of option. Blind trust in free market rule is a thing of the past. Today it is largely recognized that completely unregulated free trade can result in impoverishment, and that a

genuine sovereign power is required if development policies are to succeed.[19] In this respect, Asia's success stories are very telling.

### *The 'Access to Rights' Scenario*

Today's economics of privilege and abject poverty destroy whole communities anxious about their tomorrow with no hope of gainful employment or access to shared resources, but still determined to survive. In order to tackle nefarious emigration flows and the tragic circumstances attached to them, Mediterranean people need a genuine and equal access to basic rights and the possibility for citizens to appeal to independent institutions whenever their rights are violated. Such social objectives can only be achieved within economies that are on a path of sustainable progress, characterized by an equitable mobilization of human, technical, productive and trade capacities, which preserves scarce resources.

It is the notion of social productivity that paves the way for shared basic rights. Social investment is both the springboard and the price for stability and peace everywhere, provided that productivity continues to increase within dynamic internal markets. This kind of foundation would enable public institutions to play an efficient role as 'confidence builders' in the region.

The drive towards sustainable development in the region should abide by the following guidelines:

- Governments must regulate markets in a way that protects those momentarily weaker, or inactive. Public services, through a variety of management methods, must favour social solidarity. They must once again reflect the collective demand.
- The important issue of access to world trade must be viewed from a strategic angle as part of what determines effective sustainable development. In the long term, this entails a change in the nature of development policies. The critical issue for governments is to enable production that meets authentic needs of the population and therefore fosters the expansion of internal and regional markets, at the same time increasing exports while maximizing their benefits.
- The region is primarily in need of food-producing agricultural crops that generate decent incomes for farmers along with increased production methods that do not destroy the environment and are affordable for the poor. Generally speaking, it is necessary to steer large-scale

infrastructure works towards regional needs in order to promote integration, enhance technical knowledge and improve access to water and rich soils.

- This calls for an emphasis on public services and on training. Inadequate social capacities, together with increased marginalization and embezzlement, stand in the way of a healthy adaptation to international trade patterns and sustainable growth of commerce.
- A regional scheme can be consolidated through an internal dynamic of competitive markets and sustainable growth. The driving force behind this will be a longer-term impetus that favours rises in purchasing power and generalized access to basic public services.
- In order effectively to face daunting environmental issues, demographic challenges and a lack of social and innovative capacities, sustainable development must be backed by public services and infrastructure heeding defence of the common interest and a guaranteed access to rights.

An approach observant of economic, social and cultural rights will on the whole prove effective also in terms of capital return. The approach benefits from, and relies upon, solidarity and democratic participation as developed in both the north and south, especially where individual capital assets are not widespread as is often the case in situations of poverty and inequality. Whether traditional or more modern, common grassroots practice and mutual-help economics can only create stronger links between areas in the region. In this context, there is a need to encourage law-making that favours such political, economic and social needs. Above and beyond the governments of the region, individuals and communities must vitalize the kind of civic spirit that is a pillar of democratic culture.

Collective action should also bring about greater decentralization, particularly regarding the right to access basic utilities, use of natural resources, environmental protection and the social and economic efficiency of public services. In this respect, any approach adopted by public authorities should be guided by the three following principles: the precautionary principle, the principle of solidarity and co-operation within communities and across borders and the principle of democracy and citizen monitoring of policy- and decision-making.

The two scenarios outlined above draw on some of the dynamics currently at work. At the same time these dynamics have differing degrees of influence and do not represent an exhaustive panorama of all dynamics currently observable.

On the one hand, the 'conflictive liberalization' scenario is trend-based, but its momentum is not necessarily headed towards future 'disaster'. While its risks have been highlighted, a number of well-adapted corrective measures have been suggested. On the other hand, the 'access to rights' scenario is not completely out of reach. Though utopian, it corresponds to a number of possible realities. Of the three basic assumptions behind this scenario, that regarding democratization may seem unlikely, but this was, in fact, the outcome of a well-managed transition process in Southern Europe some 30 years ago. By the same token, Latin America's successful democratization opened up numerous possibilities throughout the countries involved. Region-wide co-ordination and agreements are not unthinkable as they fall in line with current geopolitical trends. Hypotheses for sustainable development become more prominent as the awareness of environmental crises spreads; this dimension alone could pave the way for regional agreements. Finally, hypotheses involving an access to rights are making their way into development studies; the Millennium Development Goals (MDGs) are good evidence that nowadays within the international community notions of access to rights, public property and a redistribution of wealth are widely debated.

Approaching regional issues through these two scenarios makes it possible to identify current contradictions and principle challenges in the economic and social development of the area. It is a matter of determining where Mediterranean policies can be created at the sub-regional and regional levels with respect to:

- Regional demographic shifts and the crucial issue of migration
- A shortage of food crops and the food crisis in the south
- Raw materials and the industrialization model
- Access to markets, including domestic and Mediterranean
- Standards of living and policies towards a redistribution of wealth
- Monopoly privilege rent seeking

This leads back to the essential issue of the role the Mediterranean area has in the global economy. Neither the world economy nor the international market is inalterable. It is thus necessary to examine the nature of the area's relationship with the global economy and trends, especially against the backdrop of the current pursuit of new forms of international regulation.

Future changes will be radically different from those taking place today. Regarding, for example, the link between economic and environmental issues, as noted before, a significant portion of world maritime transport travels across the Mediterranean Sea, which thus acts as a sprawling harbour in the

middle of global flows of goods. If the region should open up in a broad and uncontrolled manner, it will attract ever more maritime routes to the detriment of the environment. However, if harbour development projects were designed to favour domestic growth in the individual countries and the region, better control of maritime transport could reduce serious environmental damage.

The following sections focus on three dimensions which enable a better understanding of the socio-economic evolution of the area: (i) the environment, from a viewpoint of sustainable development; (ii) power and conflict; and (iii) the role of the Mediterranean region in the world.

### *An Environmental Approach to the Mediterranean Basin*

Environmental challenges include:

- Current conditions and trends regarding the *links* between ecosystems and the changes deriving from dominant public policies (consumption and control)
- Constraints and risks the area is likely to face – short of exceptional circumstances (abrupt changes) – concerning resource usage, protection of ecosystems and consumption/production models
- Global and regional public policy choices facing the region, and an assessment of the main uncertainties influencing these choices
- Suggestions regarding methodologies to be developed and implemented regarding socio-economic policies leading to progress in the above-mentioned areas

From an environmental point of view, the Mediterranean region is extremely rich but under serious threat. It has already largely deteriorated due to the rise in demand for its resources (food, fresh water, raw materials and energy) and inadequate management over the past 50 years. Prospects for the future are a cause for serious alarm in a region which is structurally vulnerable due to, among other factors, poor soil and water resources, demographic pressures on narrow coastal plains, and increasing vulnerability to natural and climatic risks, together with a permanent state of political instability caused by despotic regimes.[20]

With more fish caught than ecologically permissible, the fishing sector has collapsed in a good many areas in both southern and northern countries. As for the Mediterranean coastline, the trend favours a worrisome saturation of the stretches most attractive for business purposes and shelter. Close to 50

per cent of the Mediterranean shoreline is covered in concrete; urban poverty and sprawl, not to mention high demands for tourism, cause losses in spatial quality due to inadequate planning and unenforced land use regulations.

Water, land and food crop shortages are all major concerns. Potable water demand largely exceeds sustainability, and water for irrigation is 30 per cent in excess of the available supply. The shortfall is currently provided for either through increasingly expensive transport or massive pumping of underground water.

Due to scarcity of potable water some countries currently resort to non-renewable fossil water. Most Mediterranean countries have opted for uneconomical policies taking little care for the longer term, and poorer segments of the population were often left to cope through partial, expensive micro-solutions. Poor plant cover increases both the frequency and the magnitude of floods. An 'alliance' between the economy and the environment so far as water is concerned (i.e. better management of both supplies and demand) would make most of the dams currently being planned in the area unnecessary.

Agricultural land covers only a small part of the region's surface area, with limited forest lands, soil erosion and deterioration due to frequent recourse to fertilizers. Desertification and other forms of soil deterioration in arid, semi-arid and dry areas, caused by various factors including both climatic variations and human activity, negatively affect the living conditions of millions of poor people; this in turn results in out-migration, particularly in times of drought. In those rural areas where rain is less scarce, no improvement in overall self-sufficiency rates is foreseen, notwithstanding scenarios involving progress towards more diversified food crops and closer linkages between production and demand. Rural migration is putting pressure on cities that are hardly in a position to address it, increasing the threat of social conflict.

The significant and persistent depletion of water resources, sea products and agricultural land stands as a major menace to political stability and peace in the region when combined with pervasive conflicting policies, inevitable demographic and climate pressures as well as tension on food markets. Such depletion directly challenges possibilities for prudent water and land resource management and for innovative, sustainable solutions replacing the currently dominant consumption and production models, as well as technical and economic standards.

Energy efficiency is directly linked to pollution. At present, pollution due to transportation is met with a set of policies that do little but replicate the excesses dominating rich countries. The rapid growth of urban areas

requires a fresh perspective on energy consumption and gas emissions, one that radically breaks away from the current official stance calling for only marginal change in consumption patterns. On the whole, energy consumption per capita must be cut back 20 times to fend off future dangers. Yet, the adoption of radically different transportation and land use policies, including investments in social infrastructure, and incentives to change consumption models are a priority for hardly any governments in the region, particularly on the southern shores.

The deepening economic gap between north and south, as well as within countries, stands as a major obstacle to the deployment of efficient, sustainable programmes for stronger linkages between development and the environment, such as reducing waste and pollution, increasing stability, preserving the sea's water and shores, and biodiversity. The policies causing such gaps stand in the way of a transition from a non-sustainable, short-term vision based on massive exploitation of land and property, trade and mass tourism, to a model aiming at sustainable development in the medium and long term. Quite to the contrary, short-term rent-seeking, especially following the recent oil and gas price increase, has nowhere shifted course in favour of more sustainable development options.

As for non-renewable resources, choosing between the short and the long term is a totally political matter. Most resource management decisions are determined by the search for short-term profit, where hardly any consideration is given to longer-term costs or impact on living conditions. Yet damages to natural resources can prove extremely costly both in terms of public health and the environment. The Mediterranean records net losses once the decrease in natural resources (energy and forests) and damage from carbon monoxide and dioxide emissions are accounted for.[21] Added to this, the poor are suffering the loss of public goods that may well become extremely expensive in the future. Since no market mechanism guarantees that damage caused to the poor is compensated for, this exacerbates both migration and conflict.

### *Competing for Natural Resources*

The unsustainable use of natural resources is at the core of all conflicts in the region. For a long period, both history and climate have promoted the development of the Mediterranean, but tides are now turning. Current trends are by all evidence unmanageable in the medium and long terms, which would implicate, at least in theory, necessary change in development paths.

The challenge of the environment has a political nature; it has to do with the income levels and environmental conditions of all future generations in the region. The main challenge consists in setting up a shared political arena within the southern Mediterranean countries, where a truly sovereign state represents and pursues public interest.

Pressure from external factors is enormous. To remain competitive, southern countries do away with workers' basic rights as well as regulations for the preservation of the environment. International markets, and the drive to control raw materials, erect new types of barriers, both visible and invisible, walling off north from south and rich from poor, destroying those mechanisms that secure access to resources and seriously jeopardizing peace. People receive no benefit from all this, and not only materially speaking. Stability in the Mediterranean is a key factor in ensuring world peace, and pollution, climate change, water shortage and energy needs are crucial issues behind it.

A range of opportunities is available. The Mediterranean today is characterized by two major inequities. The first is that between richer northern countries on the one hand, which consume more energy, more water and have more diversified agricultural production capacities, and southern countries on the other, some of which are richly endowed with energy resources but have scarce agricultural land and water. The other involves contrasting and unequal demographic trends, combined with the dangers inherent in the dominant development model and rapid uncontrolled urban growth which poses a threat to both north and south.

In the Mediterranean region, north-south and east-west issues are always intertwined, Yet complementarity among regions and countries makes it possible to envisage effective common solutions.

### *Sustainable Development*

This section returns to the scenarios outlined earlier as part of the socio-economic approach. The first, 'conflictive liberalization' scenario is in line with an extension of current trends that see the Mediterranean fastened to the free markets currently dominating both north and south. In this circumstance, the region becomes reactive, rather than proactive, in the face of environmental constraints. In the framework of growing budget restrictions and extended poverty reduction programmes, resources are allocated primarily to investment that offer returns in line with the trends of financial markets. In the south, growth patterns remain largely rent-based, spawning weak north-south and,

most of all, south-south co-operation where sustainable development is not a priority.

The second, 'access-to-rights' scenario is based on sustainable regional development patterns which involve some control of the market in a bid to promote the access of the poor to rights. Under this scenario, integration into world markets would be pursued through Keynesian policies where the state continues to play a pivotal role.

Two contrasting sub-scenarios can be envisaged with respect to environmental issues. In the first, the severity of environmental conditions could be instrumental to the adoption of arbitrary political rule. As in the 1960s, development has been used to justify military coups and authoritarian rule. Environmental issues could conceivably substitute development as the rationale for repressive military governments. One likely consequence would be the withdrawal of northern Mediterranean countries back behind European borders for reasons of security and self-protection. As a result, the Mediterranean would remain fragmented and devoid of any common environmental programmes. In this case, responses to environmental challenges would be even more inadequate as little attention would be given to their implications for geopolitics and development. Any corrective measures would be buttressed by ever-scarcer resources as trade would decrease. Poverty reduction would become a purely symbolic defence for heavy-handed regimes.

In the second sub-scenario, the environmental issue would open up a major opportunity for freedom-oriented policies in the south. This sub-scenario is one of a truly integrated region, based on firm preservation policies. This would prove beneficial from both economic and environmental points of view. The move from curative to sustainable environment policies would require a thorough revision of the current systems of tariffs and taxes, first and foremost in countries of the south, enhanced solidarity between north-south and a development model for the region based on sustainability.

Both sub-scenarios imply substantial changes that are not yet under way. Policies aiming at environmental sustainability call for very different governance systems and institutions, economic policies and social behaviour as well as the use of new technologies and greater awareness of the issues at hand.

### *A Socio-Political Approach*

Both socio-economic and environmental approaches must address the issue of power relations. In turn, power is directly linked to the capacities of the different stakeholders to position themselves in the political arena. It is the very nature of the state that lies at the core of the power issue. A democratically elected government is often perceived as a prerequisite to development, though the issue of how to establish the conditions necessary for a switch to democracy is rarely addressed. But the factors that affect power mechanisms and how they are perceived over time are many, and of different natures.

Population trends and family structure are part of long-term power patterns as well as social contradictions. The family is intrinsic to the cultural legacy of all countries in the Mediterranean area, as defined by two essential features: an undivided unit, and dependency.[22] It provides the template for the model of power distribution,[23] with the *zaïm* in the Arab world and the *caudillo* in Spain being images of the father. Submission, a prime societal feature in Mediterranean societies, emanates from the family model which in turn is at the root of reigning families and family capitalism. The ineffectiveness of state policies explains the endurance of this family model. The state is both a consequence and an agent of globalization[24] while the Mediterranean is largely bypassed by the main flows of the world economy.

The powerful effect of the family over the collective unconscious is the outcome of two phenomena that can still be found today in Mediterranean societies, though with varying degrees of intensity:[25] the family is the base for economic subsistence and improvement, and at the same time it is the vector of social mobility. These two factors effectively cement society, which accounts for the resilience of communities under threat of disintegration. They also result in various types of misconduct, including patronage, and clannish or outright Mafia-type attitudes.

Family patterns[26] are one of the factors behind the rapid economic ascent of companies from Turkey to Morocco.[27] Family capitalism is often the driving force behind the step made by some countries in the southern Mediterranean from 'developing' to 'emerging' status. It is also at the base of the current distribution of power, provided that reigning families do not interfere with its development.[28] The family capitalism model thus tends to redefine new political power models, particularly through its capacity to tie up alliances with foreign capital as part of liberalization policies.

In both the city and the countryside, land is the economic linchpin of the ruling classes. Land was the basis of the extended family's system of

alliances but it has essentially vanished, leaving behind only a few elements such as solidarity and the social bond. Nevertheless, land property ties seem to re-emerge and to play a major role in the cities, often shaping their growth patterns.

But the demographic foundation upon which social behaviour is built is undergoing deep change.[29] The main feature of this is a continuing decrease in birth rates in the southern Mediterranean Muslim countries. From an average 6.8 children in 1975, the rate fell to 3.7 in 2005. In Tunisia the birth rate is by now similar to that of France. In Italy, Spain and Greece, the phenomenon is even more pronounced. A scenario where birth rates continue to decrease and secularization prevails, thus weakening influence of fundamentalist movements, would pave the way for the rise of political powers willing to negotiate citizens' access to their fundamental rights.

### *The Empire-Form and the Political Model*

As the crossroads between Europe, Asia and Africa for many centuries, the Mediterranean has long been shaped by a political model of 'empire-form', a historical feature common to both shores resulting in a convergence in objectives: for the south, reintegration into the world economy from which it has been sidelined; for the north, that is Southern Europe, tackling the threat of 'marginalization' from the main global scene.[30] These circumstances can have different outcomes.

Given the region's historical background, one hypothesis can be put forward: well beyond the effects of intolerance, domination and state policies, power structures were moulded by the legacies of the various communities mixing their values and shaping the internal organization of both families and public authorities.[31] Borders have been delineated as much by history as it is envisioned, as by migration and control over trade routes and economic flow. The Mediterranean is unique in the world as an area shared by several civilizations, which also makes for its unity and where geography partly dictates history.[32]

Historically the empire-form guaranteed the political stability necessary to circulate safely in the Mediterranean. Coexistence of the multiple religions that could be found along its coasts has always relied on it as an effective form of political power. The strength of the Mediterranean region and its distinctiveness in world history is rooted in its capacity to intermingle a diversity of nations, peoples and communities.[33] This explains the gap between the cultural richness of societies and the weakness of governments. This gap

is the price communities have to pay to preserve their tradition of blending together.

Just as in the past, religion is both a means and an end used by the empire-form to interfere with the economy. Religion has historically split the Mediterranean, with ancient incursions made into Southern Europe by the Muslim Umayyad empire from the eighth to the fifteenth century, then by the Western Christian Empire into the Near East with the Crusades from the eleventh to the thirteenth century,[34] followed by the Ottoman Empire into Eastern Europe from the sixteenth to the twentieth century. The establishment of Israel as a Jewish State in 1948 marked a violent return[35] of religion into societies and power structures that had previously undergone some amalgamation through exposure to multiple religions.

### *State Fragmentation and the Pursuit of Unification*

The predomination of the nation-state resulted in the fragmentation of the Mediterranean area. This system of power proved unable to bring cohesion and consistency into political spaces, within both individual countries and sub-regions. The break-up of the Ottoman Empire after 1920 triggered new conflicts. At that time, promises of *nahda* (Arabic for 'renaissance') in the south, coexisted with the Balkan issue to the north, and French and British colonial empires to the south and east. With the end of colonialism, the new governments ushered in the European political model.

Between 1950 and 1980, Maghreb and Machrek countries made various attempts to establish a federation or union of states. This could also be interpreted as a bid to return to the empire-form. At the time, Balkan Europe was under the dominion of the Soviet Empire while the European Union was preparing to enlarge and include Spain, Portugal and Greece. In fact, these three countries rested on systems of power extremely similar to those of the rest of Europe, which was not the case on the southern Mediterranean shoreline. Within the Arab world, national representation within the empire-form took the shape of the 'single party'.

Beyond imperial nostalgia and a will to represent the Arab world in international affairs, the pursuit of regional unions reflected an awareness of the need to face up to other major blocs, namely, the USA, the USSR and the (then) European Community. But internal fighting and contrasting views caused the failure of successive attempts to form regional groupings, though resolutely supported by public opinion, and its call for a new political system.

Failure of the dreamed union among southern Mediterranean countries signalled the end of a historical cycle. This was followed, from the 1970s to the year 2000, by a cycle of fragmentation during which two distinct directions emerged. From the Balkans to Morocco, fragmentation of the Mediterranean space into separate states became extreme. It materialized in forms of regionalization, both peaceful and belligerent. This was largely triggered and fostered by military intervention, in Iraq by the USA, as well as through the hostile stances of Israel, Iran and Syria.

Demand for regionalization was strong in those nation-states already belonging to the European Community (now 'Union'), as was the case with Italy and Spain. Nation-states were expected to give rise to a federation of regions. This trend reflected a shift in political paradigm, which anticipated a new political model. From sentiments of belonging to a fusion-type grouping – the Arab Union – and to a country whose unity was ensured by a very strong nationalist sentiment, there was a shift to a pacified acceptance of a diversified community that did nothing to undermine national sentiment. Each of these successive stages resulted in a distinct political model: the union of states, the nation-state and the regionalization of the state. In Spain, this gave rise to public debate. In Italy, some political leaders endorsed this type of demand. In countries along the southern shoreline, the issue was raised only under the guise of regionalization,[36] but as always it was handled only in an indirect way, in response to social demand. In other areas, regionalization followed a less peaceful course, as in the Machrek.

The push for regionalization has not just surfaced in political debates. It has also taken the form of decentralization, which appears as a contradictory process. On the one hand, the decentralization of powers was perceived as a weakening of the government's action at the demand of economic liberalization and globalization. On the other hand, it represented the answer to the demand for increased democracy. The strengthening of local authorities – often governed by elected bodies – represents a remarkable step ahead in linking local development with democracy and gives rise to new generations of leadership.

### *The Three Pillars of Power: the Army, the Party and the Leader*

Military oligarchies play significant roles in national decision-making and economies in nearly all southern Mediterranean countries, including Israel, although its recent creation is rather at odds with Mediterranean heritage. Rivalries and alliances occur within the confines of the single ruling party,

embodying under new appearances a traditional system of power distribution among clans and political clientele. In all southern Mediterranean countries, modernization is driven through this power system. This in turn gives rise to a sprawling bureaucracy that slowly takes centre stage and becomes the main stakeholder. In this framework, the military hinges on two types of elite: the political cadres of the single party, and the administration. The need for modernization and more effective political representation pushes clans and clientele elites to branch out within these two power groupings.

From Turkey to Morocco and from Spain to the Balkans, the Western model of representation has come to dominate political life. In the north, the military has stepped back and a multi-party democracy has come to dominate. By the late 1970s, technical and economic modernization had allowed all countries of the northern shore to enter the European Community, while democracy was firmly cemented. From the 1990s onwards, Balkan Europe experienced the unravelling of the Soviet Union and a painful, war-riddled process of fragmentation that gave rise to a number of sovereign states from Slovenia to Macedonia. Some of these, such as Slovenia, have joined the European Union, while others in the sub-region are still awaiting such an opportunity. In the remainder of the Mediterranean area, countries such as Lebanon and Iraq are barely surviving while others are undergoing formal political standardization through the electoral process, often under international monitoring. The European model is beginning to take hold just as it becomes more controversial than ever.

### *The Scenarios: Increased Authoritarianism or Democratization*

Political change in the southern Mediterranean area takes place against this framework, in a less-than-stable environment. A number of determinants are at work: social instability, as highlighted by social and food crises, demands for grass roots democracy, the unavoidable repositioning of rent economies into globalization, the response to environmental threats, the drive for regionalization and associated risks of fragmentation, and the rising power of Islamic groups.

Two scenarios can be envisaged: a more aggressive form of authoritarian power, and a greater degree of democracy.

A more authoritarian type of power would fall in line with current trends. Adjustment to the world market alters power relations between the ruling classes, triggering violent competition aimed at seizing the benefits of rent. The environmental dimension of sustainable development is used by strong regimes as a pretext for imposing unpopular policies, while large-scale

environmental disasters put government efficiency into question, pushing for more top-down policies.

At the same time, a greater degree of democracy could become part of a more global trend throughout the region, as has happened with the end of military regimes in Southern Europe and Latin America. If democracy is to be of substance, its foundations should be rooted in authentic civil liberties, participation and grass-roots control. This evolution would benefit from the many organizations that are emerging within civil society and would foster the social dynamics and participation that are the prerequisites of social change and development.

Democratic regimes have to face many problems – social, environmental and political – along with the risk of wars and violent conflicts. Democracy must also remain immune to the use of repression and denial of rights as the way to stability, and tackle inequality and discrimination through effective social policies. The main issue, however, is political unity based on a common project and respect for diversity. In the Mediterranean, a common project can only exist if social movements and the 'democratic forms of political Islam' join forces. Such an alliance would serve as the foundation for a greater degree of democracy throughout the region, particularly when taking into account the growing number of Muslims living in the northern countries of the basin.

This scenario is part of a trend stretching beyond 2030, which envisages a new historical cycle. Several factors suggest that the reproduction stage of the European model is coming to an end. Political Islam challenges the exclusive ideological and economic predominance of the West. The rise of emerging powers like China and India, along with their increasingly visible engagement in both the Maghreb and the Machrek, is bound to widen the debate over political systems.

Some main changes currently taking place within Mediterranean societies include:

- Growing individualist versus family and community attitudes[37]
- Increasing demand for participation in decision-making, as reflected in the emergence of civil society ideals and organizations on both sides of the Mediterranean
- A middle class progressively manifesting itself[38] together with a wider range of social classes, which undermine centralization and the persistence of the 'single-party' model
- Intense migration from the southern shoreline and the new role played by migrant communities abroad

- Importance of remittances as a new form of 'profit' for non-oil producing countries
- The international capital flowing into the Mediterranean countries lowers dependency on Europe and the United States

### *A Geopolitical Approach to the Mediterranean*

'After 1620–1650, the Mediterranean no longer lies at the centre of the world, but is pervaded by other people's trade and other peoples' wars. In such trade flows and wars, Mediterranean people only play minor roles.'[39] Spatial organization is not only the consequence of economic conditions and cannot be reduced to a hypothetical 'clash of civilizations'. Natural resources and energy on its southern coast makes the Mediterranean a strategic location. Bypassed as it is now by major trade routes in favour of the Atlantic and, increasingly, Pacific oceans, it still appears as a major junction between different regions of the world, as revealed by the increase of maritime traffic and the deterioration of the ecosystem.

The Mediterranean remains a fundamental reference for world civilization. The number of tourists visiting its cities and shores confirm its attractiveness, while at the same time causing damage to the environment. The combination of coveted natural resources and ideological confrontation turns the Mediterranean, with its wars and conflicts, into a geopolitical focus point.

The declining hegemony of the US fuels the emergence of regional conflicts, providing new inputs to the questionable theory of a 'clash of civilizations'. Though increasingly challenged, the US remains the dominant super-power, but the difference between hegemony and direction cannot be overemphasized. This situation has some major implications for the international system, since establishing a world-wide institutional framework becomes more difficult, multilateralism is challenged, and international institutions are weakened.

Every major region tends to set its own course, and each brings its own responses. This configuration defines the main thrusts of a new, multi-polar geopolitical map: gone are the days of decolonization and the Cold War.

In Southern Asia, and especially in China and India, economic competition is the response to the crisis in US hegemony. This is not an anti-capitalist, let alone anti-free-market, stance, but instead simply an anti-hegemonic strategy. In Latin America, response coincides with the emergence of a 'civic' movement on a continental scale which comes as a continuation of a democratizing phase. As for Africa, it is still paralysed by wars, conflicts, regimes and competing

influences, but some form of social movement is beginning to assert itself. Europe and Japan are locked into their respective alliances with the USA, which have implications for internal contradictions in national politics. In the Middle East, response to the crisis involves a challenge to armed conflict as a means of securing access to energy resources as well as an increase in wars and terrorism.

The Mediterranean region is afflicted by five wars and conflicts that neutralize any potential for evolving fresh political and economic systems, namely:

- The Israeli-Palestinian conflict is a key dispute which will determine the future. Its consequences reach far beyond the region, undermining the credibility of international law through recourse to double standards in international negotiations. The current pattern questions Israel's capacity for integration in the Middle East as well as the establishment of a viable Palestinian state. This conflict also challenges the validity of borders in the region as a whole. For over 60 years, warfare has made the establishment of any regional grouping in the eastern Mediterranean area impossible.
- The war waged in Iraq under US command effectively reintroduces Iran as a balancing factor for Arab power in the region.
- Strife in the Balkans has not yet disappeared, highlighting the fact that Europe's southern border has not fully stabilized.
- The Kurdish conflict symbolizes as no other can the antagonisms between communities and state borders. It involves Iran, Iraq, Syria and Turkey, four key countries in the region.
- The war in the Western Sahara stands in the way of any emergence of a regional grouping in the south-western Mediterranean area.

These conflicts manipulate religion, spreading confessional discord and war. They dilute national solidarity and weaken the adoption of the political perspective that had slowly made progress over the past two centuries. With the exception of Egypt, national sentiment gives way to disillusionment as these wars become permanent.

Lingering wars work in favour of the military elite and their alliance with those professing their bonds with Islam, following a course opposite to social sentiment. Peace is the main issue in the area, raising the question as to whether the Maghreb and the Middle East can emerge as regional actors and whether Turkey and former Yugoslavian states will be able to join the European Union. The European Union's political absence, the complete

withdrawal of the former Soviet power, and the blatant failure of US aggression in Iraq is creating a new situation in a region where the need for compromise is essential.

Conversely, some south-western Mediterranean countries look to other regions to expand their markets. Following the EU ('Schengen') agreement on migration, three countries of the Maghreb – Algeria, Morocco and Tunisia – decided to provide economic and administrative training to young sub-Saharan African graduates. The Schengen agreement is a major reason behind France and Europe's loss of influence in Africa and the Arab world. For the Maghreb as a whole, sub-Saharan Africa is becoming the new southern frontier. The impediment to the construction of any new political and economic regional space produces instability, spurred by centrifugal courses towards sub-Saharan Africa to the south, Iran, China and India to the east and to the Balkans and Turkey in the Mediterranean.

Certain segments of society perceive liberalization as an effective way of giving momentum to internal reform; to others, this is a way to maintain EU aid and support. Two opposing strategies arise: a strategy of reform, aiming to alter social and economic conditions, and a conservative strategy, aiming to maintain the existing allocation of power. The lack of any consistent rationale is coupled with the absence of any collective perspective on market liberalization. Both in economic or socio-economic terms, even the vague outline of a fresh developmental path remains elusive, as neither globalization nor liberalization constitutes a political project. In the Mediterranean, the prospects for international integration take on a high degree of ambiguity. The area faces a number of major strategic challenges, such as food security and freedom of movement, while peace and security require unambiguous political response. Every sub-region acts as vector for the prevailing logic of globalization, but they all also act as carriers of counter-trends challenging the path to international integration.

Every sub-region has its own response to the current crisis, but all rest on common cultural traditions that can forge regional co-operation policies. Against this background, building regional common markets is a promising perspective. However, in this view the Mediterranean area does not appear as a homogeneous region. Southern European membership in the EU divides the Mediterranean area into north and south, or between Europe and the 'MENA' (Middle East and North Africa), a grouping that has more to do with geography than economics or politics. Common markets and shared political projects can be envisaged at the level of sub-regions – the Maghreb, the Machrek, the Balkans and Southern Europe – on which to build a broader Mediterranean project.

From the point of view of political relationships, four distinct hypotheses which lead to different scenarios are plausible. In the first, governments of the southern Mediterranean countries endorse the US idea of a 'greater Middle East' implemented through bilateral agreements. Weakened as it may be by that time, the USA will still be considered strong enough to delineate a way out to the various conflicts, though it is questionable whether it is willing to put an end to the current instability that gives it an exclusive control over natural resources. Beyond this, the interests of various US allies are at variance with this hypothesis and privilege the policy of double standards adopted in the region thus far.

In a second alternative, the idea of a European leadership over the Mediterranean area prevails. The USA has, however, significantly reduced the degree of EU influence over local elites, while the EU's drive to impose its vision based on short-term interests and restrictive migration policies meet with the opposition of local populations. Finally, internal antagonisms, particularly between France and Germany, keep any ambitions for an EU Mediterranean policy in check.

A third, more innovative alternative involves a *rapprochement* between the southern Mediterranean area and emerging countries such as China, India and Brazil. This would bring about a higher degree of integration of the southern and eastern countries of the basin into the international economy, as it would be based on mutual trade interests (raw materials, sustainable consumer goods and massive direct investment).

A fourth alternative, better attuned to current challenges, involves greater internal autonomy and momentum based on common initiatives bringing together the various sub-regions, and the emergence of dynamics similar to those at work in South-East Asia.

These four alternatives can be pared down to two scenarios. One maintains the current unco-ordinated, piecemeal integration into the world economy. The other features the pursuit of a relative degree of autonomy *vis-à-vis* the world economy through sub-regional strengthening and better co-ordination. The US 'Grand Middle East' and the EU's own 'Mediterranean Union' schemes are seen as roughly equivalent. Although there is some competition between them, both give priority to country-by-country adjustment to the world market, while politically tying the southern area to a Western plan that would uphold the common interests of the US and Europe respectively.

The possibility of a *rapprochement* with emerging countries suggests the creation of a new west-east axis as opposed to the north-south line currently dividing the Mediterranean. This alternative seems unlikely by 2030. Such *rapprochement* could serve as the main bargaining chip in the attempt to

explore a different path to the alternative between the US and Europe on the one hand, and the Arab world on the other. It could combine a rebalancing of power with the US and Europe, while maintaining existing co-operation. This pattern of integration can work at both the country and the sub-regional levels of integration and is a major opportunity.

The scenario in which the Mediterranean pursues further, uncoordinated integration into the world economy is in line with current trends. It is consistent with continuing wars and conflicts and leaves individual countries to pursue distinct policies suiting their specific circumstances. This scenario is also consistent with current trade agreements between the US and Mediterranean countries and the EU's Mediterranean Union that tend to set up top-down relationships. At the same time, this scenario could give rise to a counter-trend where individual countries gradually become aware of their common interests, highlighting the importance of common policies at the level of sub-regions.

This could take on different features. A new infrastructural network would provide the means for mainstreaming the Mediterranean into world economic circuits. Provision of deep water and container transit seaports, bulk cargo harbours, coal, gas and oil terminals, as well as passenger berths and marinas would have a major impact on the southern Mediterranean shoreline. Offshore free zones would foster economic growth, drawing on the lessons from Asian countries.

Envisioning the Mediterranean area embarking on an autonomous course where sub-regions set up common economic frameworks based on co-operation and common initiatives is predicated on the settlement of current conflicts. Thus, the idea is to encourage any progress in this direction. Setting up formal sub-regions can facilitate conflict settlement as communities engage in post-conflict development programmes as well as conflict prevention.

This 'autonomous' scenario, based on an awareness of the benefits associated with regional integration, can be put into action progressively. It is in line with trends already at work in the region, namely in three aspects:

- Common market agreements in individual sub-regions. Over the next 20 years, regional agreements will be perceived as one of the main directions to take, as local trade would favour sustainable development.
- The environmental dimension for sustainable development. Intergovernmental conferences in the Mediterranean basin could draft a number of agreements in this area. This may also be of interest to the European Union, which could play a positive role.

- Democratization must spread throughout the area if the citizenry is to adhere to the prospect of a common Mediterranean future.

The prospect of an autonomous, sub-region-based Mediterranean by 2030 is a concrete possibility. Governments should sign agreements about areas of common interest such as the environment, trade, regulations and infrastructure schemes.

As it gathers momentum in each individual country, public opinion can take on a 'Mediterranean' dimension and exercise pressure in favour of conflict settlement based on international law. A greater number of research and training programmes on Mediterranean perspectives could support the next generations of officials and decision-makers in developing the main features of future policies. Finally, common initiatives among civil groups such as trade unions, farmers, environmentalists, consumers and women, along with rights-based groups, would place Mediterranean civil society within a broader process of democratization that would foster the end of dictatorial regimes, more open migration policies and an enforcement of rights.

Many scenarios have been envisaged for the future of the Mediterranean. Prominent among them are those developed by the Institut de la Méditerrannée, which compare interestingly with the conclusions of this study. 'The Mediterranean by 2030'[40] includes 25-year scenarios for the whole Euro-Mediterranean area. These involve four sharply contrasting hypotheses which are equally likely, as follows:

- Territorial resilience: an environmental crisis triggers a dynamic in favour of regional and international co-ordination, paving the way for a multi-level Mediterranean governance and a territorial approach to development.
- Globalization and security: the south would undergo a political and institutional opening associated with an economic take-off based on EU-supported investment and reforms. Eventually, democratic Islamic governments would fail and, in a bid to contain the menace from radical Islamic factions, military-backed regimes would take over.
- A fragmented Mediterranean area: rivalry for energy supplies becomes the driving force and the area is coveted by all world powers. The EU is focused on its eastern borders and puts aside Mediterranean projects focused on partnerships and solidarity. The pattern imposed on the various countries is one of world competition.
- An Arab renaissance and a global dimension for the Mediterranean: fresh thinking among political Islam brings about peaceful conflict settlement

and internal economic growth. The cultural, political and economic momentum of southern countries inspires Euro-Mediterranean integration, partly based on a spiritual renewal among youth from the diasporas.

### *An Urban Approach to the Mediterranean*

The world is experiencing an urban revolution. This is the case especially in the economic south where, in a way very different as compared with the nineteenth and early twentieth centuries, urbanization has little to do with industrialization or economic growth in general.

With 380 million people and an urban population reaching up to 80 per cent of the total population by 2030, the Mediterranean area reflects this trend with all its challenges. The area features two parallel demographic trends: urban population in the southern area grew by an average of 4 per cent annually between 1970 and 1990 and has continued to grow by 3 per cent since then, whereas in the northern countries population growth is stagnant.

Four distinct issues come to the fore in a prospective vision:

- The main cause for urban growth is no longer natural population growth or rural-urban migration but a new strategic issue, namely, international migration.
- As for the rural-urban linkage, a slowdown in migration accounts for a proportional reduction of the rural population, which at any rate continues to increase in absolute value. Therefore, the pressure of rural migrants on cities will not abate while employment remains stagnant.
- Population in southern Mediterranean countries will double by 2030. This calls for the doubling of facilities and infrastructure, on top of remedying the current backlog. One approach would consider such facilities and infrastructure as a global public good that demands financing on a Mediterranean-wide scale.
- The Mediterranean urban system is rooted in both time and space. It is part and parcel of the history of every country in the area. The main cities concentrate the economic, administrative and cultural activities of every country and polarize regional development. Such an urban system, including mid-size cities, could serve as a cornerstone for a future Mediterranean region.

Small and mid-sized cities, metropolitan areas and megalopolises act as the focal points of local, regional, national and global development respectively and shape economic space. How to feed the growing urban population remains a nagging question. In the northern Mediterranean countries, agricultural production is well established and is supported by the EU common agricultural policy, while food claims only a moderate portion in household budgets. In the south, urban growth and changes in consumption models combine with the scarcity of agricultural land to require costly food imports. World agriculture is hostage to increasing speculation while social policies, where existent, were essentially wiped out by structural adjustment policies, determining price surges which impoverish communities.

This is where one set of scenarios, that based on a stronger but poorly controlled integration into world markets, has its limitations. This scenario fosters conflicts and the oppression needed to preserve law and order. It thus highlights the merits of alternatives that favour local economic growth focusing on domestic, as opposed to world markets; such as small-scale farming and horticulture, food sovereignty urban agriculture, as well as local produce markets and distribution networks.

In this perspective, the financing of both industrialization and urban development calls for a novel approach. In the nineteenth and early twentieth centuries, financing was provided through a tightly controlled wage system, based on low agricultural prices and farmer incomes, the Soviet economy being no exception. Today, there is a wider range of measures. Industrial competition is linked more to the cost of urban labour than to that of agricultural work. Urban growth is financed through taxation of capital gains, especially real estate, which it contributes to generating. The issue that needs to be addressed, especially in view of the divergence between urbanization and the economic base, concerns the financing of the urban infrastructure.

Port-cities are the historical pillars of the Mediterranean region. Along the southern shorelines, the bulk of maritime traffic concerns the transfer of raw materials. Many large-size seaport platforms are under construction and are bound to tighten the region's links with the world economy. Growth of the main cities has more to do with the relevant country's insertion in the world economy than with the expansion of trade among Mediterranean countries. The relationships between Mediterranean cities are characterized by a marked predominance of north over south. A common Mediterranean market, complete with expanded trade among countries of the southern shoreline and a better balance in north-south trade, could be supported by ambitious investment in infrastructure.

Along the southern shoreline, trade and world trade-related social classes flourish through *infitah* policies (i.e. an 'open door' to foreign investment). Massive tourism provides the basic economic momentum. On either side, cities that grow most are those with efficient and dynamic industrial activities. Employment opportunities remain far short of demand and temporary forms of unemployment are predominant. In southern cities, labour is very largely informal. Urban space is highly fragmented, socially and economically as well as from the point of view of living conditions. Infrastructure and services are outdated and inadequate and informal housing largely predominates.

Beautification and conservation measures are under way in many cities, in parallel with changes in their economic base where tourism plays a growing role, along with the rehabilitation of dilapidated, centrally located neighbourhoods, and the redevelopment of dilapidated industrial sites and docks. This model corresponds to the 'conflictive liberalization' scenario referred to earlier, and it refers to the 'world cities' that exist within the Mediterranean as well as some neighbourhoods inside some metropolises.

Alternative patterns along the lines of what has been previously referred to as the 'access to rights' scenario, are only emerging on an experimental and limited scale.[41] Under such a scenario, public space would be privileged and local institutions would combine representative and participatory democracy, such as participatory budget and Local Agendas 21. Land and transportation policies would pay special attention to avoiding discriminatory practices by focusing on access to rights, ensured by widespread public services. Urban policies would promote local employment and domestic goods. Redistribution through social policies to fight poverty and inequity would be enhanced through subsidies and more equitable tax systems. Safety measures in cities would be addressed without having recourse to security-focused ideologies and 'zero tolerance' methods. A strategic alliance between local authorities, local associations and the tertiary sector would strengthen social integration. In this regard, the Leipzig Charter on sustainable European cities opens up some perspectives, even if only slightly.[42]

Mediterranean historical cities date back to ancient times, their spatial pattern unchanged for centuries on end. Colonization brought about new technology and technical innovation that undermined the economy and the symbolic status of medinas. Yet, in the cities of the south the medinas played a specific role at the end of colonialism and continue to retain a symbolic function of their own, though currently questioned by tourism and the transformation of the heritage into luxury hotels and restaurants. At the same time, the lower-middle classes maintain a relation with the historical city, where they often have parental ties and can find less expensive traditional

products. All of these factors can serve as the basis of different long-term perspectives, with the political dimension of Islam as one of the major determinants.

Cities are where political legitimacy is won or lost. Cities are where the choice is made between military and Islamic elites, or those who base their preference for social equity on 'secular' Islam, or others still who ground social policies on civil liberties and democracy against the prevailing military and religious elites.

## *Conclusion*

Based on the set of scenarios suggested above, three distinct patterns for the future of the southern Mediterranean area can be delineated:

- Current trends continue, reinforcing the ongoing 'conflictive liberalization' model
- An end to major conflicts tempers market forces
- The Mediterranean region is structured as a set of sub-regional co-operation areas

### *The Pattern of 'Conflictive Liberalization'*

Trade flows are determined by dominant markets, and go hand-in-hand with US hegemony in the southern Mediterranean area. A continuation of current trends would cut off political systems from the citizenry; governments would focus on survival because of internal instability, increasing social tension and repressive policies, investor diffidence and persistent profit-seeking. An alliance with the USA, based on current policies, or a neutral stance, would only reinforce the repressive and clan-based dimensions of sham democracies. In this perspective, the southern Mediterranean area can expect very little improvement, from the current sluggish and inequitable economic growth, negligence of environmental issues, religious and ethnic unrest to the benefit of very conservative regimes. In turn, this would result in the gradual demise of all capacities to steer social change, which could lead to unrest and chaos.

### *Market Liberalism Tempered by the End to Major Conflicts*

In this perspective, the market remains at play behind the conflicts, but there is a positive change in US policies in the Near East. Europe could follow suit and, as it does so, step in to temper aggressive market forces. This is a realistic conjecture, in view of the cost of ongoing wars and of the global economic crisis. Milder modern forms of a 'new deal' could be launched in the Mediterranean region, along with a more democratic political process similar to that which took place some 30 years ago in Southern Europe. Social and economic policies would invest more effectively into sustainable economic activities and infrastructure. Sub-regional and regional agreements would become easier to arrange with fresh ruling elites spurred on by internal and external dynamics of pacification, and democratic and socially minded religious groups would gradually take over today's dominant fundamentalist factions. Improvements of the current situation could occur in stages, from a modicum of social advancement to a real perspective of large-scale sustainable development. A newborn impetus inspired by a beneficial change in US diplomacy would create significant leeway for change.

### *A Region as a Set of Sub-regional Co-operation Areas*

The degree of change will depend on the way events are perceived by the populations. All is possible even as all can change only very slowly. The most favourable scenario would see the southern and eastern Mediterranean areas move in the same manner as Asia and Latin America. The Asian strategy maintains national state sovereignty and makes it possible for various internal change processes to take place simultaneously, based on sizeable internal markets and strong government. Two major factors must be stressed here:

- Growth in fair and development-oriented south-south trade*:* agreements among emerging countries can help in putting together sub-regional co-operation schemes, thus making resilience possible until international tension abates and places some pressure on the USA and on Europe. South-south co-operation also brings a degree of autonomy that can be beneficial for local markets, along with production diversification and implementation of large-scale regional programmes. The European side of the Mediterranean would stand to benefit greatly in a variety of ways, in terms of opportunities for business, enhancement of knowledge, fewer tensions brought by

inflows of poor migrants, as well as preservation of the environment and natural and mineral resources.

- Bad social and economic management is the plight of many Mediterranean countries, with widening income gaps and highly uncertain living conditions for most. At the same time, the southern Mediterranean shores are endowed with significant human resources, which are largely unused at present. Favourable conditions would allow these countries to increase productivity and achieve a more equitable redistribution.

Regional co-operation schemes would pave the way for a better future. At present, there is little awareness of this in the area for two main reasons. One has to do with a deeply ingrained acquiescence to the ongoing globalization process and its uniform values. As an area where a variety of influences are at play, the Mediterranean region stands to suffer greatly from this. The second is owing to the persistence of major conflicts between economically unequal actors, bringing about a declining legitimacy of the state in the south and economic insecurity for the population, as well as a corresponding loss in political, economic and cultural dynamism.

There is some doubt, however, as to how the USA looks at the potential for change in the southern Mediterranean region. Should it be hindered, governments could only keep in line with the USA and would have little room for innovation. Civil society, however, could take its demand for change into its own hands through extensive needs-based networking. Though a challenging path to follow, it is a very promising one for the longer term. In fact, operating at a grass-roots level it would reduce the risk of social conflict, add to the political capital of the poorer segments of the population in their quest for 'access to rights' and pave the way for change in the event that public authorities are willing to seize the opportunity of moving forward.

Against a background of conflict, solidarity is easier to forge among the communities of the northern, southern and eastern Mediterranean shores, than between their governments or political parties. Such solidarity is a harbinger of things to come and acts as an effective defence against conservative attitudes. Mediterranean societies have the resources required to map out solutions to their problems and to live together peacefully. Conflict does not prevent people from living together, as attested even by such challenging situations as those found in Beirut or Cyprus.

There is a genuine need to develop active solidarity wherever possible and regardless of difficult circumstances. Wholesale democratization is in order in

the south. This will be more stable if it is anticipated at the grass-roots level, taking advantage of internal dynamics based on concrete needs and tangible demand.

The future of the Mediterranean is not to become an exclusive centre of the world again. However, in cultural and political terms, the region provides an optimal setting for people and trade as well as for effective, sovereign government. As a set of sub-regional co-operation areas, the Mediterranean would pave the way for stability and development, as well as fresh, harmonious linkages between economic and political entities, within a framework of genuine democratic legitimacy.