

European dimension of the Euro-Mediterranean partnership

Resolution of the Mediterranean conference (Barcelona - 19 June 1997)
adopted by the Barcelona Central Council (20 June 1997)

The European League for Economic Cooperation (ELEC) believes that it is essential to establish a Mediterranean policy based on a partnership which fosters growth in trade and private investment. The need to contribute to peace and security and to foster job creation in this vast composite area of neighbouring cultures and civilisations represents an important challenge.

One feature of most of the countries on the southern and eastern shores of the Mediterranean [*] is the fragility of their economic and social structures. This fragility creates difficulties and seriously compromises the possibility to achieve the economic dynamism which will permit progress and improvements in quality of life.

[] Algeria, Cyprus, Egypt, Gaza, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, and the West Bank*

Since the 1960s, the EU has been applying a series of measures designed to favour Mediterranean non-member countries in order to contribute to their economic and social development.

The EU decided at the beginning of the 1990s to give a new direction to its Mediterranean Policy. The European Councils of Essen and Cannes [*] underlined the strategic importance the EU gives to the Mediterranean region while insisting that its commitments to Eastern European countries would not hamper the quality of its relations with the Mediterranean countries involved.

[] The Essen European Council (December 1994) decided to create a Euro-Mediterranean Economic Space: it also established a parallel and balance between EU strategy on Eastern countries and its strategy on Mediterranean countries. The Cannes European Council (June 1995) set its financial commitment to its Mediterranean policy at 4,685 million ecus for 1996-1999. This figure is close to the amount committed by the EU to Eastern countries (6,693 million ecus), although not equal to it. The Barcelona Conference (November 1995) confirmed the level of financing for Mediterranean countries.*

Lastly, the Barcelona Conference on 27 and 28 November 1995 gave the final political push to launch a new phase in Mediterranean Policy.

Consequently, ELEC wishes to express its views on development and co-operation between the EU and Mediterranean countries by stressing economic and financial aspects.

ELEC lays great emphasis on the fact that the two elements fundamental to the economic and social development of any country, its history and its geography, should never be forgotten. These factors are instrumental in creating the social and cultural differences between most EU member states and their Mediterranean partners, and these differences make co-operation more difficult.

In order to boost growth ELEC firmly believes in the need for a greater contribution from the domestic and international private sector. Private investment effectively involves a transfer of know-how technology and capital, all of which are vital to modernising manufacturing industry and to improving competitiveness. It will thus make a significant contribution to economic growth and job creation.

ELEC also considers that encouraging the progress of private investment basically depends on:

- ◇ the economic and institutional context
- ◇ the development of the institutions and non-governmental organisations that will facilitate the growth of a wide range of personal, professional and inter-occupational relations which, building up mutual trust at company level and in the workplace, will help to foster an awareness of common interests
- ◇ the development of trade productivity and improvements to the distribution network
- ◇ access to sources of financing, in particular venture capital
- ◇ availability of skilled human resources and the quality of the training infrastructure and research centres (or, at least, access to the results of research conducted elsewhere)
- ◇ the existence of information on investment opportunities
- ◇ implementation of programmes to promote savings and private investment.

As far as the economic and institutional context is concerned ELEC emphasises four key elements to increasing investment:

- ◇ control of inflation and of foreign currency risks
- ◇ adaptation of the legal and administrative framework
- ◇ favourable taxation for the investor and means to repatriate profits
- ◇ the size and flexibility of the labour market.

In the light of the need for a dynamic approach of this kind, ELEC urges the institutions of the EU to ensure effective co-ordination between its policy of enlargement with the central and eastern European countries and its Mediterranean policy.
