

**Is the Barcelona Process Working? – Empirical Assessment of
the State of Democracy, Human Rights, and Quality of
Governance in the League of Arab States**

Carmela Lutmar
University of Haifa
Division of International Relations
School of Political Sciences
clutmar@poli.haifa.ac.il

Paper prepared for submission for the Political Economy of International Organization
Conference, January 2011, Zurich Switzerland

Abstract

The Barcelona Process or Euro-Mediterranean Partnership (EMP) is a unique and ambitious initiative, which laid the foundations of a new regional relationship and which represents a turning point in Euro-Mediterranean relations. In the Barcelona Declaration, the Euro-Mediterranean partners established the three main objectives: A common area of peace and stability through the reinforcement of political and security dialogue (Political and Security Basket), construction of a zone of shared prosperity through an economic and financial partnership and the gradual establishment of a free-trade area (Economic and Financial Basket), and the improvement of relations between peoples through a social, cultural and human partnership (Social, Cultural and Human Basket). Despite the fact that the Barcelona Process has been established 15 years ago, very few studies have attempted to empirically investigate whether it has achieved its goals. The purpose of this paper is to start filling this gap by testing whether the state of democracy, human rights, and various dimensions of governance have improved in the countries comprising the League of Arab States (which are also part of the EMP) following the Barcelona Process concomitantly with the increase in trade in the Euro-Mediterranean region. The findings show that the Barcelona Process has been very modest, if at all, in its achievements.

Introduction

In November 1995, the Foreign Ministers of the EU and the Mediterranean states launched the Barcelona Process, which created long-term political, institutional and economic links between the EU and its Mediterranean Partners. The major economic component of the Barcelona Process is composed of two parallel threads: the first is the creation of bilateral free trade agreements (FTAs) between the EU and each of the ten MENA (Middle East and North Africa) countries¹ - Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, the Palestinian Authority and Turkey (which already has a customs union with the EU) - and second, the development of FTAs between the countries of the region themselves by 2010. Quite substantial progress has been made on the first track, and by far less so on the second, though neither has as yet been completed, and very few studies, if at all, have been conducted to test whether any of these two tracks has been successful in achieving its goals. The direct economic objective of this initiative is to increase the bilateral trade flows between the countries in the Middle East and EU members, which, accompanied by internal domestic political reforms, would enhance economic growth. This should serve the broader objectives of promoting peace and stability, and decrease the incentives for migration to the countries in the EU.

The purpose of this paper is to test whether some (or all) of the goals of the initiative have been met. But the emphasis will be slightly different in order to focus on a regional international organization – the League of Arab States -- whose members are almost the same ones as the ones in the MENA group.² Tables 1 and 2 show the members of each organization and the date they joined.

[Table 1 about here]

[Table 2 about here]

¹ MENA is an acronym used usually to include countries in an extensive region, starting from Morocco in the northwest Africa to Iran in southwest Asia, and even though it has no standardized definition, it usually includes the following countries – Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Israel, Jordan Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian territories, Qatar, Saudi Arabia, Ethiopia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen,

² The members in the League of Arab States are Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

In order to evaluate the progress of the Barcelona Process the paper will proceed in the following way: the next part describes the Barcelona Process, and the League of Arab States, their history and evolution. The following section describes the data and methods. Then the findings are discussed in the following section, and the final part concludes.

The Barcelona Process

During the last two decades a number of initiatives have been launched or proposed to promote cooperation in the Mediterranean: the “Five plus Five,”³ the Conference for Security and Cooperation in the Mediterranean (CSCM)⁴, the Mediterranean Forum,⁵ Middle East and North Africa (MENA) Summits, the Arms Control and Regional Security Working Group (ACRS),⁶ the European Union’s Euro-Mediterranean Partnership (the Barcelona process), the WEU Mediterranean Initiative,⁷ and the OSCE’s Mediterranean Contact Group.⁸

With such an impressive list of initiatives, many of them overlapping in scope and membership, one cannot avoid thinking how is it that the relationships between the EU states and the Mediterranean ones are still problematic on some levels. Moreover, with so much good will, one can only wonder whether some of the goals stated in the initiatives are met, at least partially.

³ The five-plus-five dialogue which started as a cooperation process in the Western Mediterranean in Rome 1990 involves five Maghreb countries (Tunisia, Morocco, Algeria, Mauritania and Libya) and five European countries of the Western Mediterranean Basin (France, Portugal, Spain, Italy and Malta). Their first summit took place in Tunis 2003.

⁴ Created in 1991 as an “instrument for creating and managing common interests in the fields of security, cooperation and mutual understanding with a common approach based on human rights adapted gradually and comprehensively to the specific region” (original document). The countries taking part in it are all countries belonging to the Mediterranean, the Black Sea, the Middle East and the Gulf as well as the European Community states, the US and the Palestinian Authority.

⁵ The Mediterranean Forum was founded in 1994, and serves as an informal framework for cooperation between five Mediterranean EU countries (Portugal, Spain, France, Italy and Greece) and six Mediterranean partners (Morocco, Algeria, Tunisia, Egypt, Malta and Turkey). It predated the Barcelona Process.

⁶ The Arms Control and Regional Security Working Group (ACRS) was one of the five working groups that comprised the multilateral track of the Madrid peace process of the early 1990s. These talks took place between 1992–1995 and included 14 regional parties.

⁷ The WEU Dialogue started in 1992 in order to exchange views on Mediterranean security and defense issues. It includes Jordan, Algeria, Egypt, Israel, Mauritania, Morocco, and Tunisia. Dialogue takes place between WEU representatives and officials and Mediterranean partner ambassadors in Brussels.

⁸ The Organization for Security and Cooperation in Europe maintains special relations with six Mediterranean Partners for Co-operation: Algeria, Egypt, Israel, Jordan, Morocco and Tunisia.

The focus in this paper is on the Barcelona Process, and it is so for several reasons. The first one is that it is probably one of most comprehensive and ambitious initiatives established to foster cooperation between the two regions, and on several dimensions (political, economic, and security). Second, it is a formal initiative in which the states taking part in it are clearly stated, and thirdly, the goals are very detailed and also relatively easy to test whether they indeed achieve its purpose.

The Barcelona Process, as it is known today, started at a conference that took place in 1995, and brought together the Ministers for Foreign Affairs of the 15 EU Member States and the following 12 Mediterranean non-member countries: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey. With the signing of the Barcelona Declaration in November 1995 a new phase in the Euro-Mediterranean partnership was established. It aimed at creating an area of shared prosperity in the Mediterranean but also recognized that achieving this goal required sustainable and balanced socio-economic development and an improvement of the living conditions of the populations, an increase in the employment level and the encouragement of regional cooperation and integration. Moreover, it also required political reforms in the various institutions in the Mediterranean countries involved in the process. A key policy instrument to achieve the economic outcomes as mentioned earlier was to progressively establish a free trade area (FTA) between the EU and regional partners and between these regional partners.

The EU intended to support what has been called the Barcelona Process with substantially increased financial assistance. Implementation of the Barcelona Process was to be achieved through a set of Euro--Mediterranean agreements and free trade agreements to be concluded between the Mediterranean Non-member countries (NMCs) themselves. The parties have set 2010 as the target date for the gradual establishment of the FTA which will cover substantially all trade in compliance with the World Trade Organization (WTO) obligations. Tariff and non-tariff barriers to trade in manufactured products would be progressively eliminated in accordance with timetables to be negotiated between the partners. The parties agreed that trade in agricultural products and

services would be liberalized in stages. First step was to set up a FTA, and that would require that suitable measures were agreed upon with regards to rules of origin, certification, protection of intellectual and industrial property rights, and competition. The agreed upon work program also specified the need to harmonize customs rules and procedures, and the elimination of unwarranted technical barriers to trade in agricultural products and elimination of obstacles to direct foreign investment. The declaration of the Barcelona Process would monitor the progress achieved through periodic meetings of the Ministers for Foreign Affairs of the Mediterranean partners and the EU, to be prepared by a Euro-Mediterranean Committee for the Barcelona process. This Committee would evaluate the follow-up to the Barcelona process and for update the work program.

The EU has signed Association Agreements with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, and Tunisia. An interim Association Agreement guides the relations between the EU and the Palestinian Authority. Tunisia was the first country that signed an Association Agreement with the EU in 1995, and ratified it in 1998. Table 3 presents the countries that are part of the Barcelona Process, the year they joined the initiative, and the year they ratified it (De Wulf and Maliszewska 2009: 23).

[Table 3 about here]

The Tunisia Association Agreement set the stage for the next Association Agreements with other Mediterranean countries which basically covered the same goals, provided the same timetable for the reduction of tariffs and committed the Partners to pursue a policy to promote social and economic development.

Agadir Agreement

The Agadir Agreement established a free trade zone between Jordan, Egypt, Morocco and Tunisia. It is open to include other Arab Mediterranean countries. Signed in Rabat on February 25, 2004 it was ratified on January 1st, 2006 and came into force on July 6, 2006.

The Agadir Agreement is fully in line with the objectives of the Barcelona Process and is also supported by the E.U. Its policy objectives are ambitious. They include (i) developing economic activity, support employment, increase production, and improve the standards of living within the Member States, (ii) unifying the public and private economic policies of the Member States in areas dealing with: external commerce and agriculture, industry, the tax system, the financial system, services, customs and that which facilitates competition between the member states, and (iii) bringing closer the economic legislations of the Member States in the hope of producing an adequate climate for the conditions of merger between the Member States.

While the details of the Agadir Agreement are promising, its implementation has been greatly delayed because of procedural problems. It will require political commitment and close monitoring of the implementation of the Agreement to draw its benefits and increase the level of trade and investment between the signatories of the Agadir Agreement. Such trade is for the moment at a very low level (ibid, 26).

MEDA

Launched in 1996 the (MEDA I) and amended in 2000 (MEDA II) enables the European Union (EU) to provide financial and technical assistance to the countries in the framework of the Euro-Mediterranean partnership that include Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey. The MEDA program replaced the various bilateral financial protocols that existed between the EU and the countries in the Mediterranean basin. Support for the Euro - Mediterranean free trade area and free trade between the Non Member Countries (NMCs) are placed high on program agenda. The MEDA program has now been replaced by a single instrument, the European Neighborhood Policy (ENP).⁹

European Neighborhood Policy (ENP)

The Barcelona process runs in parallel with the broader policy of the ENP, which aims at achieving deeper economic integration between the EU and its neighbors. It was first

⁹ http://ec.europa.eu/world/enp/index_en.htm

outlined in 2003, and it was followed by a Strategy Paper in 2004 that sets out in concrete terms how the EU proposes to work more closely with these countries. The ENP goes beyond existing relationships to offer a deeper political relationship and economic integration. In addition to free trade in goods and services this will require strong legally-binding provisions on the implementation of trade and economic regulatory issues, intellectual property rights, public procurement, trade facilitation and competition.

Countries included in the ENP include most Mediterranean countries but also East European neighbors. The central element of the European Neighborhood Policy is the bilateral ENP Action Plans that are agreed between the EU and each partner. These action plans should achieve over time the desired deep integration while taking the diversity of the various countries into account. The first phase towards deeper economic integration has started, through implementation of the ENP Bilateral Action Plans that set out an agenda of political and economic reforms with short and medium-term priorities. The Action Plans also encourage partners to conclude bilateral or regional agreements to boost South-South or East-East trade and investment. As such, the ENP calls for deepening and expanding the Association Agreements with Mediterranean partners.

Union for the Mediterranean

The Barcelona Process was re-launched in 2008 as the “*Union for the Mediterranean*” (*UOM*) at the Paris Summit for the Mediterranean.¹⁰ The Partnership includes all 27 member states of the European Union, together with 16 partners across the Southern Mediterranean and the Middle East. This re-launching aimed to infuse a new vitality into the Partnership and to raise the political level of the strategic relationship between the EU and its southern neighbors. While maintaining the main goals of its predecessor, the Barcelona Process, including the various Association Agreements, the UOM offers more balanced governance, increased visibility to its citizens and a commitment to tangible, regional and transnational projects.

¹⁰ http://www.eu2010.es/en/documentosynoticias/noticias/mar04_upm.html

This initiative acknowledges that despite the steady advances made in South-South economic integration, the achievements remain below its potential. Further and faster reforms are needed if the EU's Mediterranean partners are to reap the potential benefits of globalization and free trade with the EU and regional integration. Economic reforms, gradual free trade of industrial products with the EU, and improvements in economic and political governance, have not been enough to attract the domestic and foreign investment needed to boost standards of living in the region. Growth has been steady but insufficient. Free trade with the EU has favored exports and investment. The combined effect of these shortcomings has been a slower than expected process; insufficient growth and continued demographic expansion have increased the prosperity gap between the EU and most Mediterranean countries and there has been no real economic convergence.

Recognizing that the formula of trade plus investment plus cooperation remained as pertinent as it was in 1995, the initiative acknowledges that it can do more to promote trade, investment and cooperation in the region. Initiatives planned under UOM aim at (1) enhancing the sense of co-ownership by Mediterranean Partners (2) correcting the lack of institutional balance between the weight of the EU on one side, and the Mediterranean partners on the other, and (3) improving the visibility and the perception by citizens that initiatives are taken to tackle their daily problems and their real needs. The UOM initiative held its first Meeting of Heads of State in 2008 and reaffirmed the political will of all member states to strengthen the partnership required to implement the Barcelona Process and its Action Plan and provided a short list of concrete regional projects to promote regional cohesion and economic integration, and to develop infrastructural interconnections.

What's Next? -- 2010 and Beyond

At the 2007 Euro-Med Trade Ministerial meeting in Lisbon Ministers agreed that Senior Officials Working Groups would work on a plan that will include the next steps in the field of trade till 2010 and beyond. This request stemmed from their observation that the level of trade and EU investment in Southern Mediterranean countries and the level of South- South trade remained below expectations.

The overarching objective of the plan is to move towards integration that goes beyond trade towards one that includes free trade in all goods and services with the harmonization of the regulatory environment that impacts trade. The latter agenda is likely to include the elimination of all non-tariff barriers for trade and measures to promote investment in the region. These would most probably include obtaining legally binding commitments on issues such as technical regulations on industrial products, protection of intellectual property rights, an agreed upon policy on competition and public procurement and customs and trade measures. Beyond aiming for deep integration between the EU and the Mediterranean region the plan is likely to look for measures to expand the South-South trade, which has lagged behind the expansion of North-South trade. Putting in place these various policies and instruments will require political will, focused efforts and close monitoring. However it does contain the promise of faster and deeper economic integration with its ultimate aim of faster economic development.

The abovementioned survey of the various initiatives by the EU to improve its relations with its Mediterranean neighbors shows a wide, and oftentimes overlapping, array of activities that focus mainly on the economic dimension, and less so on the political and social components. Moreover, the plethora of forums and organizations overlap not only in the goals they are attempting to achieve, but also in the Mediterranean countries they are targeting. No wonder then that instead of focusing on clear goals and ways to implement them, the impression one gets is of a chaotic activity without properly evaluating whether things are working as planned. Table 4 presents all the Mediterranean initiatives.

[Table 4 about here]

In order to start filling this gap I focus in this paper on the more neglected aspects of the Euro-Mediterranean relationship. Most of the studies by now look at the economic aspects in general, and on trade in particular, and examine whether there is greater economic integration between the two regions in general, and between the states

comprising them in particular.¹¹ However, it might be useful to look at the impact of the relationship on political variables in some of the Arab and Mediterranean countries. In order to do that I chose to focus on the states in the League of Arab States for several reasons: first, most of the countries in the League are those that take also part in the Barcelona Process. Secondly, the League of Arab States is an established regional organization, and as such, it is interesting whether the interaction with states within the EU, which is also a regional international organization, advanced some of the political reforms that were required as part of the Barcelona Process. Thirdly, there are hardly any empirical studies that examine the performance and effectiveness of the League of Arab States as an international organization in general, and of its members in particular. And fourth, by choosing these two formal and established regional international organizations, we create some kind of symmetry between the two bodies which makes it easier to justify the choice.

The League of Arab States

The League of Arab States (or Arab League) was the first regional organization to be formed after World War II.¹² The origin of the League can be traced back to the adoption of the Alexandria Protocol in 1944 by the representatives of Syria, (then) Transjordan, Iraq, Lebanon, and Egypt (Tavares 2009: 105).¹³ The driving force behind the initiative was the attempt to unite Arab states, resist colonial forces (for Lebanon), and to react to the growing Jewish presence. This protocol eventually opened the way for the establishment of the League of Arab States a year later.

I am interested in this paper in examining whether the partnership with the EU via the Barcelona Process has improved human rights records, level of democratization, and the quality of governance in the states of the Arab League (those that are part of the Barcelona Process). Findings will give us some idea on whether the partnership is indeed achieving its goals, even if partially. Let me turn now to describe the data and the methods employed in the empirical part.

¹¹ See Deardorff 1999; Karray 2003; Hoeckman 1998; Martinez-Zarzoso et al 2010; Soloaga et al 2001

¹² The official date is March 22, 1945, and in fact, it predates the establishment of the UN.

¹³ Libya, Morocco, Palestine, Saudi Arabia, and Yemen also participated in the Conference as observers.

Research Design

In order to test the state of bilateral trade between members of the Euro-Mediterranean partnership (with emphasis on its Arab members), and the state of human rights, level of democracy, and quality of governance (or some elements of it) in the Arab states that take part in the Barcelona Process, I present a research design that has four major features –

1. I use a dataset that includes all the states that joined the EU up to 2004, and nine states from the League of Arab States that are also part of the Barcelona Process. The reason some states are excluded from the data set is lack of available data. The time period covered is 1995 (the year the Barcelona Process has been set) until 2008 (for the gravity models) and until 2006 for the quality of governance. The states in the sample are in Appendix 1.

2. I use the gravity model setting to model bilateral trade between dyads in the partnership. Gravity models have proved to be the standard framework for explaining bilateral trade and the most successful empirically (Aitken 1973; Anderson 1979; Bergstrand 1985; Summary 1989; Deardorff 1984, 503-4; Frankel 1993; Gowa 1994; Gowa and Mansfield 1993; Leamer and Stern 1970, 145-70; Linnemann 1966; Mansfield and Bronson 1997; Pelzman 1977; Pollins 1989a; Tinbergen 1962; Winters and Wang 1994). In its simplest form, the gravity model takes the following general form:

$$T_{ij} = f(Y_i, Y_j, F_{ij})$$

where:

T_{ij} = the value of trade flow from country i to j .

Y_i and Y_j = is the nominal GDP in i and j , respectively

F_{ij} = is a vector of factor that either boost or resist trade

A common variable that is included in all studies is the distance between i and j , which is included as a proxy for transportation costs.

Additional factors that have been included in studies using gravity models are usually economic. Aitken (1973) found that European trade is significantly influenced by membership in the European Economic Community (EEC), the European Free Trade

Area (EFTA) and a neighboring state (or contiguity) dummy variable. Aitken and Obutelewicz (1976) found that the trade between European and African states is positively influenced by preferential agreements.

In order to provide a theoretical foundation for gravity models, Bergstrand (1985) used a general equilibrium model of world trade to derive a gravity equation. He found that the “usual” gravity model employed by most researchers, in which they focus on GDP and distance) is contingent on specific restrictive assumptions. In order to provide a more generalized form, he included price and exchange rate variables in addition to the usual gravity variables. Empirical analysis found 40% of the price and exchange rate variables to be significant.

In many studies the gravity model takes on the following form, which is a slightly more detailed way of writing the previous equation:

$$\log(X_{ij}) = \beta_0 + \beta_1 \log(GDP)_i + \beta_2 \log(GDP)_j + \beta_3 \log(POP)_i + \beta_4 \log(POP)_j + \beta_5 \log(DIST)_{ij} + \beta_6 \log(A)_{ij} + e_{ij}$$

where:

X_{ij} = the flow of trade between states i and j

GDP_i and GDP_j = the GDP (gross domestic product) of states i and j , respectively

POP_i and POP_j = the population (or, equivalently, the per capita GDP) of i and j

$DIST_{ij}$ = the geographical distance between i and j

A_{ij} = as mentioned earlier, in the previous form of the equation, is a set of additional factors influencing trade between i and j , often including whether the state has a colonial history, is a membership in an international organization, or part of an alliance.

E_{ij} = is a lognormally distributed error term

Despite the various variants of this model, and the possible modifications and additions one may add to the factors that may influence bilateral trade (such as contiguity, common language, common currency [see Rose 2000]), “it is widely recognized that a state’s

capacity to supply exports or directly related to its GDP; so, too, is a state's demand for imports." (Mansfield and Bronson 1997: 97). Population is included in most models as a proxy for a state's market size. Assuming economies of scale in production, the larger a country's population, the more goods for which it is likely to achieve the minimum scale needed for efficient production without relying on export markets (Aitken 1973: 882, Linnemann 1966: 11-4). The bigger the population, thus, we should expect it to produce less for export relative to its total production compared to a less populous state. Also, the larger the population, the more the state is expected to have a greater capacity to satisfy domestic demand with domestically produced goods, and thus a lower demand for imports, in comparison to a less populous state.

As mentioned earlier, distance is used as a proxy for transportation costs. We should expect these costs to increase as the distance between the trading states increases. For these reasons, the gravity model predicts that bilateral trade will be directly related to the GDP of i and j and inversely related to both the population of i and j and the distance between them.

3. Another dependent variable(s) is the *Quality of Governance*. But the concept of *governance* is problematic. The most comprehensive studies on the quality of government and the quality of governance include many indicators that cover various periods and different dimensions.¹⁴ In terms of governance indicators, the most currently used data set is by Kaufman, Kraay, and Mastruzzi (2006), and those include six indicators –

- Voice and Accountability – the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
- Political Instability and Absence of Violence - perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism.

¹⁴ . LaPorta, de Silanes, Shleifer, and Vishny (1998), Adsera, Boix, and Payne (2003)

- Government Effectiveness – the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.
- Regulatory Quality – the ability of the government to formulate and implement sound policies and regulations that permit, and promote private sector development.
- Rule of Law – the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence.
- Control of Corruption – the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests.

However, using those indicators in a panel data is highly problematic as well because the data is very limited, and its availability varies across the indicators. Therefore, I use variables from the Quality of Government dataset¹⁵ and also from the social and policy dataset¹⁶. The list of variables is listed in Appendix 2. The list does capture the six determinants of the quality of government as mentioned in the study by Kaufman, Kraay, and Mastruzzi (2006).

4. For the purpose of measuring human right violations, the CIRI data set includes a long list of variables that describe the state of human rights practices in all countries in the world. For our purposes we will use only a subset of these variables, which are aggregated into the Physical Integrity Rights Index. The Physical Integrity Rights Index is an additive index constructed from the Torture, Extrajudicial Killing, Political Imprisonment, and Disappearance indicators. It ranges from 0 (no government respect for

¹⁵ Teorell, Jan, Sören Holmberg & Bo Rothstein. 2010. The Quality of Government Dataset, version 27May10. University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se>

¹⁶ Samanni, Marcus, Jan Teorell, Staffan Kumlin & Bo Rothstein. 2010. The QoG Social Policy Dataset, version 22Feb10. University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se>.

these four rights) to 8 (full government respect for these four rights). Cingarelli and Richards describe it in detail in their 1999 piece. We also include several control variables, which have been identified in the human rights literature (Davenport 1996, 1997, 2000): economic development, civil war, interstate war, population, military capability, and GDP.

To measure regime we use the W (winning coalition) as used by Bueno de Mesquita et al (2003), and the measurement they use, that is a composite index based on the variables REGTYPE, XRCOMP, XROPEN, and PARCOMP (all variables in Polity IV). W ranges between 0 and 1. The closer W is to 1 the more democratic a state is, and the larger the electorate and the winning coalition in that state. The closer W is to 0 the less democratic a state is, thus the smaller its winning coalition.

Data Analysis

I start by presenting the results of the gravity model, which as explained earlier, are the common model to analyze bilateral trade relations. I present here the results of estimating a gravity model using the usual control variables such as the population size of the two states, distances, and capabilities.

[Table 5 about here]

The results are as expected – all coefficients are statistically significant and in the right direction, that is correctly signed.

Let us turn now to the tests of the political and social components, as those are more likely to yield interesting results, and these are also the areas in which by far less research has been done.

I conduct here tests for democratization, human rights violations, and several measures for governance – level of corruption, rule of law, accountability, government effectiveness, and political instability. More here to describe variables, measurement, etc.....

The results are presented in table 6.

[Table 6 about here]

Discussion

The findings present a complex picture even if somewhat expected one. The bilateral trade flows between various members in the sample is growing, and the gravity model produced the expected results. One can argue then that the Barcelona Process works well when it comes to trade. However when analyzing the other dimensions of the process, those that were also emphasized in the various meetings that followed the launch of the initiative in 1995, the results are by far less promising. The hope that increased trade ties between the two organizations would lead to political and social reforms in the Arab states, which in turn might decrease the migration flows to some of the EU states, turned out to be false hope.

2-3 paragraphs on the findings....

These are obviously tentative results and very preliminary. Several future paths can be explored –

1. The two blocks of states can be divided to sub-groups. For example, countries that are in the Southern Mediterranean, countries in West Europe, etc, and explore whether some sub-blocks are trading more (or less) with some of the Arab countries, and whether those Arab states that trade more with some European countries have a better record when it comes to human rights and some aspects of good governance.
2. Obviously the measures used in this paper are only partial. One can add several more to get a fuller picture.

3. Investigate whether the economic integration is higher, and whether the deeper the level of economic integration we can see also trends in the level of human rights violations and measures of good governance.

These are just a few directions this paper can be extended to. As preliminary as it is, there is evidence, even if partial and tentative, that some of the goals that were formulated as central to the Barcelona Process, that is promoting political reforms in the Mediterranean (or Arab in this paper) partners, have not been achieved. One way to start tackling it is maybe to reduce the number of initiatives the EU is involved in when it comes to promoting relations with the Mediterranean countries, and instead focusing on only one or two.

Table 1 – MENA members

Algeria	Jordan	Qatar	Yemen
Bahrain	Kuwait	Saudi Arabia	
Djibouti	Lebanon	Ethiopia	
Egypt	Libya	Sudan	
Iran	Morocco	Syria	
Iraq	Oman	Tunisia	
Israel	Palestinian Territories	United Arab Emirates	

Table 2 – League of Arab States¹⁷

Country	Admission Date	Language
Algeria		
Bahrain		
Comoros		
Djibouti		
Egypt		
Iraq		
Jordan		
Kuwait		
Lebanon		
Libya		
Mauritania		
Morocco		
Oman		
Palestinian Authority		
Qatar		
Saudi Arabia		
Somalia		
Sudan		
Syria		
Tunisia		
United Arab Emirates		
Yemen		

¹⁷ Source -- http://news.bbc.co.uk/2/hi/middle_east/country_profiles/1550977.stm

Table 3 -- Barcelona Process¹⁸

27 EU members	17 Partners
Austria	Albania
Belgium	Algeria
Bulgaria	Bosnia and Herzegovina
Cyprus	Croatia
Czech Republic	Egypt
Denmark	Israel
Estonia	Jordan
Finland	Lebanon
France	Libya
Germany	Mauritania
Greece	Monaco
Hungary	Montenegro
Ireland	Morocco
Italy	Palestinian Authority
Latvia	Syria
Lithuania	Tunisia
Luxembourg	Turkey
Malta	
Netherlands	
Poland	
Portugal	
Romania	
Slovakia	
Slovenia	
Spain	
Sweden	
UK	

¹⁸ See http://europa.eu/scadplus/glossary/barcelona_process_en.htm

Table 4 – All Mediterranean Initiatives¹⁹

Initiative	Goal	Scope
NATO	Improve own image; Increase mutual understanding and military cooperation	Security info exchange; Practical cooperation
EU	Stability in the Mediterranean to Prevent threats & develop new markets	Economic, social, and security with no Military dimension
WEU	Improve own image; Increase understanding	Security info exchange
OSCE	Extend OSCE experience to Mediterranean states	Security info exchange
Mediterranean Forum	Informal meetings to discuss common interests	Economic, security, social
ACRS	Multilateral forum to Address arms control; CBMs	Security info exchange; practical cooperation
MENA	Create investment opportunities	Economic; annual summits

¹⁹ Source – Larrabee (1998), NATO's Mediterranean Initiative: Policy Issues and Dilemmas, RAND Corporation, p. 40

Table 5 – Gravity Model Results

Constant	2.307 (.383)***
Ln(popa*popb)	.474 (.033)***
Lnencapb	.513 (.0314)***
Distance	-.0002 (.00002)***
Colonial Past	1.387 (.276)***
Language	.477 (.132)**
Observations	336
R-squared	.757

Note: Standard errors for coefficients appear in parentheses. All tests for statistical significance are two-tailed. * $p < .05$; ** $p < .01$; *** $p < .1$

Table 6

Results here....

Level of Democracy

Physical Integrity Index

Empowerment Rights Index

Corruption

Various components of the Physical Integrity Index and the Empowerment Rights Index

Rule of Law

Control Variables – Civil War, Interstate War, Population, Economic Development, etc

Appendix 1 – Countries in Sample

AUSTRIA	ALGERIA
BELGIUM	EGYPT
DENMARK	JORDAN
FINLAND	LEBANON
FRANCE	LIBYA
GERMANY	MAURITANIA
GREECE	MOROCCO
IRELAND	SYRIA
ITALY	TUNISIA
LUXEMBOURG	
NETHERLANDS	
PORTUGAL	
SPAIN	
SWEDEN	
UK	

Appendix 2 – Variables and Sources

X_{ij} : Average between bilateral exports from country i to country j and imports of country j from country i (Trade dataset from COW), expressed in US\$ and scaled by the US Consumer Price Index (CPI)

<http://www.correlatesofwar.org/COW2%20Data/Trade/Trade.html>

Distance_{ij}: Great circle distances are calculated using the arc-geometry formula on the latitude and longitude coordinates of the most populous city.

Y: GDP of country in current US\$ divided by the US CPI series. Both series are taken from the IMF International Financial Statistics (2009)

Population: Population taken from the COW datasets --

<http://www.correlatesofwar.org/COW2%20Data/Capabilities/nmc4.htm#notes>

Common Language: (Source: CIA World Factbook 2009)

Ex-Colonial Relationship (Source: CIA World Factbook 2009, and

<http://www.correlatesofwar.org/COW2%20Data/ColonialContiguity/ColCont.htm>)

France, Algeria, Morocco, and Tunisia; **Italy** and Libya; **England**, Cyprus, and Malta (in bold the ex-colonizers).

W – Polity IV -- <http://www.systemicpeace.org/inscr/inscr.htm>