

PASSIA
SEMINAR



PASSIA

PASSIA

Palestinian Academic Society for the Study of International Affairs

PASSIA SEMINAR

PASSIA



PASSIA

Palestinian Academic Society for the Study of International Affairs

PASSIA is a Palestinian non-profit institution with a financially and legally independent status. It is not affiliated with any government, political party or organisation.

PASSIA seeks to present the Palestinian Question in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavours that its activities be specialised, scientific and objective and that its symposia, seminars and workshops, be open and conducted in a spirit of harmony and cooperation.

With its *Education and Training in International Affairs* programme, PASSIA has pioneered educational seminars for Palestinian graduates. This seminar programme provides a much needed focus inside Palestine for training Palestinian graduates in international affairs with lectures and discussions held by the highest quality Palestinian and foreign specialists. Fellowships or study visits abroad, which are awarded to the most outstanding seminar participants, form part of the programme.

The PASSIA Seminar 1995 on the *European Union* was kindly supported by the Ford Foundation, Cairo, while financial support for the *Field Trip* was granted by the Commission of the European Community in Brussels.

Copyright © PASSIA
March 1996

PASSIA Publication 1996
Tel: 972-2-894426 Fax: 972-2-282819
E-Mail: passia@palnet.com
P.O.Box 19545, Jerusalem

CONTENTS

Introduction	1
Seminar Programme	2
PART ONE: Lectures & Discussions	
Opening Remarks	
<i>Michael Bahr</i>	4
<i>Dr. Mahdi Abdul Hadi</i>	7
Towards the European Union, 1945-57	
<i>Dr. Othman Othman</i>	8
The Institutions of the European Union	
<i>Dr. Nayef Abu Khalef</i>	13
The Treaty of Maastricht: Its Meaning and Implications	
<i>Dr. Nayef Abu Khalef</i>	16
The Member States and the European Union	
<i>Country Position Papers prepared by the Participants</i>	18
The EU, the Middle East and the Arab-Israeli Conflict up to the 1980s	
<i>Dr. Othman Othman</i>	41
The European Union: Why Should Palestinians Care?	
<i>Dr. Rosemary Hollis</i>	48
The EU and Defence and Security: The CSFP Agenda	
<i>Dr. Rosemary Hollis</i>	50
Governing NGOs in Palestine.	
<i>Dr. Denis Sullivan</i>	52
The Union and the Arab-Israeli Conflict: From Venice to Madrid	
<i>Dr. Rosemary Hollis</i>	54
After Madrid: The EU and the Peace Process	
<i>Dr. Rosemary Hollis</i>	57
The EU, Israel and the Mediterranean Partnership Programme	
<i>Dr. Rosemary Hollis</i>	59
The Single Market: Economic and Monetary Union.	
<i>Dr. Andrae Gaerber</i>	60

The New Economic Agenda in the Post-Cold War World & Palestine. <i>Dr. Rosemary Hollis</i>	63
Dealing with the EU: External Perspectives (non-EU States) - The USA. <i>Paul R. Sutphin</i>	65
Current Palestinian Concerns <i>Dr. Mahdi Abdul Hadi</i>	69
EU Member States, the Arab-Israeli Conflict and the Peace Process <i>Participants; with Martin Kobler & David Haines</i>	75
The Union and the Peace Process since Madrid. <i>Bettina Muscheidt</i>	89
The Institutions of the Union: Council, Commission & Parliament <i>Fernand Clement</i>	91
The Institutions of the Union: Internal Relations; Case Study: European Union Aid to the Palestinians <i>Matthias Burchard</i>	96
The Institutions of the Union: Court of Justice, Court of Auditors & European Investment Bank (EIB). <i>Soeren Schmidt</i>	102
The EU and the Palestinian Entity: Economic Issues <i>Hanna Siniora</i> <i>Veronique Peaucelle</i>	104
The EU and the Palestinian Entity: Final Status Issues <i>Dr. Sami Musallam</i>	106
Lectures & Workshops on International Negotiation <i>Dr. Paul Meerts</i>	109
PART TWO: FIELD TRIP/STUDY VISIT to European Capitals and the EU Commission in Brussels	119
Appendices	145
A: Statistical Data on the EU Member States (<i>collected by the participants</i>)	147
B: Tables (<i>on conditions for participation in EMU</i>)	150
C: Lecture Programme	152
D: Lecturers	155
E: Palestinian Participants	157
F: Reading Material	160
G: Documents	161
H: Map of the EU	177

INTRODUCTION

PASSIA's seminar on the European Union 1995 forms part of PASSIA's annual programme "Training and Education in International Affairs".

The programme aims to train Palestinian graduates about the European Union and to apply this knowledge to regional and international affairs. It is part of PASSIA's endeavour to meet the needs of the Palestinian community for formal education, training and practical experience in an area that is receiving increasing attention as Palestinians define and address their own political and economic needs.

PASSIA hopes that this seminar - held at this crucial period in our history - will enable Palestinians to continue the process of state-building and to enhance relations and understanding with the European Union and the international community more generally.

Having put together all the material to publish the full report on the PASSIA Seminar 1995/96 "The European Union", the PASSIA Academic Committee would like to use the opportunity to express its deep gratitude to the Ford Foundation, Cairo, whose financial support made this programme feasible, to the Commission of the European Union (Directorate General I) for its financial contribution which facilitated the Field Trip, and to all individuals whose encouragement and valuable support contributed to make the seminar and field trip a success.

We thank most warmly the guest lecturers from Europe, Dr. Rosemary Hollis, Head of the Middle East Programme at the Royal Institute of International Affairs (Chatham House), London and Dr. Paul Meerts from the Netherlands Institute of International Relations "Clingendael", The Hague, and all the local Palestinian and foreign lecturers for their valuable contribution.

Last but not least our thanks go to the Palestinian participants whose serious commitment to and enthusiastic participation in the seminar course are highly appreciated.

Jerusalem, March 1996
The PASSIA Academic Committee

SEMINAR PROGRAMME

1. Preparation

PASSIA consulted with British and Palestinian scholars and European Union officials based in Jerusalem and Brussels in order to plan and implement the seminar. Consultation began in June and PASSIA advertised the proposed seminar in the local press, *al-Quds*, *an-Nahar*, and *The Jerusalem Times*, at the beginning of July. Notification was also given to national institutions such as universities, research centres and institutions of the Palestinian Authority. No travel, food or accommodation expenses were required from participants, nor any fee for undertaking the course. The programme was supported financially by the Ford Foundation, Cairo (Seminar), and the European Union in Brussels (Field Trip).

2. Participant Selection Procedure

PASSIA formed a Committee specifically for the preparatory stage of the seminar. Its members were: Dr. Mahdi Abdul Hadi, Dr. Rosemary Hollis, Valerie Grove and Deniz Altayli. PASSIA received 56 applications from all over the Occupied Territories (18 from Jerusalem, 33 from the West Bank, and 5 from Gaza), 42 of which were invited for interviews. The Programme Coordinator, Dr. Rosemary Hollis, came from London specifically in order to participate in the interviews which took place over the period 17th-21st August 1995 in Jerusalem, Ramallah and Bethlehem. Of the total of 42 interviewees, the Committee selected 15 to participate in the seminar plus 7 reserves. Priority was given to those who had not yet had a chance to take part in a PASSIA Seminar.

3. Reading Period

The lecturers provided a full list of reference materials covering the topics addressed in their respective lectures. Required reading material was photocopied and distributed to participants at the beginning of September in order that participants could familiarise themselves with the concepts of the seminar beforehand. Each participant received a reading package including assorted articles and booklets amounting to approximately 300 pages. During the seminar, some lecturers distributed further reading material on the subject and additional material recommended by the lecturers was available for the participants at the PASSIA library.

The reading period included the preparation of a country-position paper, whereby each of the participants had been assigned one of the 15 EU member states in order to collect information about a specific country. The position paper had to cover the following aspects:

- basic statistical data on the respective country
- the country's position and role within the EU and towards EU policies
- the country's attitude towards the Arab-Israeli conflict.

4. Lecture Programme

From 30th October to 11th November 1995 a series of lectures and other educational exercises were given by the following scholars: Dr. Rosemary Hollis, Chatham House, London; Dr. Mahdi Abdul Hadi, PASSIA, Jerusalem; Dr. Nayef Abu Khalef, An-Najah University, Nablus; Dr. Othman Othman, An-Najah University, Nablus; Dr. Paul Meerts, Clingendael Institute, The Hague.

In addition, European diplomats (located in Jerusalem and Jericho), representatives of the EU Office in Jerusalem, and Palestinian experts (see *Lecturers*) gave lectures and presentations on various topics. Mr. Thomas Dupla, head of the EU's Representative Office in Jerusalem, was to give the introductory speech and to formally open the seminar on October 30th, 1995 but was, due to health reasons, unfortunately not able to do so. On certain topics, the participants had to give brief presentations on country-related issues, which they had to prepare during the reading period.

5. Social Activities

During the two week seminar, PASSIA provided beverages and luncheon for all participants and lecturers. On Sunday, 5th November, PASSIA hosted an evening reception at the Ambassador Hotel in Jerusalem for all involved in the seminar, as well as for representatives of local institutions, the diplomatic corps in Jerusalem and friends of PASSIA.

6. Writing Assignments

Participants were required to write two essays, one in Arabic and one in English. The first, a position paper in English on one of the 15 EU member states, had to be submitted before the actual seminar started. It had to cover basic statistical data on the respective country as well as the country's position within the EU and towards the Arab-Israeli conflict. The participants had to present these country-related topics during the seminar.

The second essay, in Arabic, on topics studied during the seminar is required for submission by the end of December 1995. Seminar lecturers compiled a list of suggested titles for the essay papers from which the participants selected one for analysis in their papers.

7. Advanced Studies

The PASSIA Committee will nominate five of the fifteen participants to be considered one week study visits each in one of the following European capitals: Rome, London, Paris, Bonn, Madrid. These five will then converge for a further study week at the European Commission in Brussels itself. The expenses for these two weeks of study will be covered by the European Union, Brussels.

PART ONE: LECTURES & DISCUSSIONS

OPENING REMARKS

by Mr. Michael Bahr, Representative Office of the European Union, Jerusalem and Dr. Mahdi Abdul Hadi, Head of PASSIA

Michael Bahr:

Thank you for giving me the opportunity to speak to you today. I see in front of me future Palestinian diplomats and leaders. Let me congratulate you that you were chosen for this seminar. It will bring you closer to an understanding of the difficult problems and solutions awaiting you.

You may have asked yourselves: why do I need to know about the European Union? You will learn about different institutions: the European Commission, the Council of Ministers, the Court of Auditors, the various treaties. You will learn about power sharing. The union is between states, economies and people. Such power sharing makes matters more difficult. You will learn why it is so important to have a union. You will also come to understand the frustration of governments. You will know more than the average Palestinian about this important international actor.

What is the interest of Palestine in Europe? Firstly, you are our neighbours. Geographically and historically, we have a close relationship. This has to be put on a new basis, a basis of independence and cooperation. I think that the conferences, such as Amman and Casablanca, are very important steps. Europe is the biggest trading bloc in the world with 370 million consumers in Europe. It is a big potential market for the Palestinians.

As you know, history in Europe demonstrates trends towards unification: Charlemagne, Charles V, Napoleon, and Hitler. After World War II, some, for example Churchill and Chandler, foresaw a planned unification of Europe. After two bloody wars, Europeans wanted to stop fighting each other, to try to understand each other and each others' culture.

My father, a captain in World War II, told me not to trust the French. When I was 16 on a trip to France with him, we stood in front of the memorial in Veldar. I was curious and was asking questions. Next to us, a French boy the same age as me talked to us in German. He started translating things to his father, who had also fought in the war. It was his father's first trip back. Both men had wanted to come back to the place of war. Neither wanted war to happen again.

Where did we start? In 1951-2, the European Coal and Steel Community was formed. After this, the European Economic Community and the Atomic Commission (Euratom) were formed. Businessmen and politicians started the cultural exchange.

They began to learn to understand the "other's" cultural and language. They began to ask: "Why is he the other? What is he thinking?" This is crucial for peace. We found that if you have business, you don't want war. A larger community becomes formed and freedom of cultural and cultural expression appears. A union doesn't mean we are the same - that we think the same and act the same and want the same things. A union represents a variety of interests and expressions. This is one of the bases of the European Community.

What did we create? In Europe, we created an ability to transfer funds and knowledge, an open market, freedom of movement of goods, people, and information. Could this not be a model for your region? Skiing in Lebanon, shopping in Tel Aviv, holidays in Aqaba - this should be the future for your children.

Business is the first step. The political process is much slower and painful. Believing in a goal of living together in peace. The main message of the EU is peace.

Discussion

Participant: You explained why Palestine should be interested in Europe, but why is the European Union interested in this region?

Answer: The world has become one big unit, a vast community. As a consequence, the interest in your neighbour increases. The whole region is important for you because of historic events. In Europe at the same time, people tend to have the impression that Islamic culture is very strange. There might be tensions if the area was to switch over to some fundamentalist regime. The Middle East is the key to the petrol business and is a market of 150 million people. This could be a very powerful region if you would get along with each other. We also have a historic interest, connected with religion, colonialism, the World War II, the Holocaust and so on.

Participant: Can you compare the Middle East Peace Conference in 1991 with Camp David?

EU: Camp David was the first step, it was an unhappy in between stage. However, recent events would have been more favorable for the Palestinians if you had joined Camp David.

Participant: Do you think your interest in the Middle East and Palestine stems from a need to make compensation for what your Europe did to us during colonialism?

EU: I don't think so. History is not any part of culture anymore .

Participant: Do you think that politics and states have any conscience?

EU: I don't think that this plays any role fifty years after the fact. On a daily basis, it plays no role. The focus now is more on business, action, commerce.

Dr. Abdul Hadi: I always compare country to country, the Palestinians to the Irish - revolutionary ideas, their relationship with the British, 1961 and the same revolutions. The Germans have never been occupiers in the region. Now you are coming to the region. Are we affecting you?

EU: Germans are serious, objectifying.

Participant: Does the large number of German tourists coming to this country every year have anything to do with this?

EU: Many Germans have visited Israel over the last twenty years because of recent history. Many come to change their minds, many have a passion for Israel because of recent history, not only the holocaust, but also events such as the Munich Olympics in 1972. The issue of Palestinian rights was not important in Germany until recently. Now Germans are beginning to see the necessity of Palestinian rights and are changing their attitudes.

Participant: Tell us more about Union relations with other economic powers? How do you see future operation and other economic powers in our region?

EU: There is competition between the major economic powers in the region. Interest in the United States is very strong. I don't know if United States can still call themselves honest brokers. Europe is more dependent on international trade. Nearly 25% of the GDP of Germany comes from external trade. The United States is important competition, but Europe has good products to offer. Trade and commerce are mainly through other international trade councils. However, open trade is one of the most important things to improve. America has a pure capitalist economy and Europe tries to incorporate some social elements into normal economic enterprises. The welfare of people is of interest for development of state. Pure capitalism will direct you in the wrong direction.

Participant: For how long will the EU remain the biggest donor of aid to the Palestinians?

EU: The EU has allocated ECU 52 million in aid to help the Palestinians establish a self sustainable state. When this will end depends on developments in Palestine. The EU wants the Palestinians to establish a normal tax and financial system, and coherent development plans. We are developing a project to help the Palestinians run a state with financial independence. There will be no absolute date for cutting off aid. Palestine currently enjoys the highest per capita amount of aid from the EU. Compare the per capita rate with India, for example.

Participant: According to statistics, of the 52 million ECUs allocated, more is actually spent in Europe and only 30% is spent here.

EU: Of the total budget of ECU 52 million, 50% goes on running costs, such as universities and the police force and teacher salaries. Equipment has to be bought either in Europe or in Palestine, but you do not want us to buy the products in Palestine if they are more expensive or Israeli-made. We have to make a tender and we take the cheapest option.

Participant: Why do you think that Palestinians' salaries have not been paid in the last three months?

EU: Why should Palestinian be paid salaries on US levels? You must fulfil your responsibilities. The payment rate by the EU is 60% up till now. We have a special special rule to fight corruption. EU experts are coming to Palestine, but first you must establish ministries. Be assured, we are the fastest payer of all agencies. We just have bad public relations.

Dr. Mahdi Abdul Hadi:

European Union officials are currently arriving to monitor the Palestinian elections. This is an appropriate reminder of the EU's growing role in Palestine, and the importance for Palestinians to be aware of the EU and how it functions. That is the purpose of this seminar. From the Palestinian perspective, Europeans could have an important role, to balance that of the USA. However, it is worth pointing out that the monitors' report will go first to Brussels, then to the PA in Gaza; it won't be made available to the Palestinian public.

Elections

For political and practical reasons, Chairman Arafat has set the date for the elections for 20 January 1996. This is to pressure the Israelis to speed up redeployment and force the opposition's hand as to whether they will participate or not. The PA is committed to the election. There is crisis within the opposition which are having intensive meetings. Those outside are living in a different world than those inside. The inside is really divided. The PFLP in Gaza really want to run, to be part of the Palestinian house. Others can't afford to run. Opinion polls show that the left are very weak. The religious opposition, like Hamas, are also divided. Those in the West Bank are more reasonably logical, understanding that participation will lead to a role in shaping the Palestinian house.

Following the election, what will be the agenda of the Legislative Council? I have ten points on what circumstances will dictate to the council. I am not asking people not to run. I am committed to the election.

1. The Legislative Council must legitimise the Palestinian leadership, the PA, as it stands. For Hamas, this is difficult since they don't recognize the PA. Its also problematic for independents. If Haidar Abdul Shafi becomes speaker of the house, he will have to deal with the head of the PA, Chairman Arafat.
2. The Legislative Council must pass laws and regulations for our political system: a Political Party law, a Citizenship law and so on. We need a liberal, democratic political framework, not a replica of the rest of the Arab world.
3. The elected body must cooperate and consult with the opposition to reshape the Palestinian agenda. In England, for example, there is a different attitude, with the concept of a loyal opposition. We need a constructive engagement with the opposition. which must not be crushed or forced underground.
4. The elected body must amend the Palestinian National Covenant of 1965. This is a historical document from the 1960s. It does not deal with the 1990s. Since amending this document will lead to a crisis, only an elected body can do this.
5. Those who heard Arafat's speech when signing Oslo II will notice that for the first time he did not speak of our objective as a Palestinian state, but an entity. The political framework offered by Oslo I and II means that the council will be laying the foundations for a Palestinian entity not a state.
6. Since we are talking about the interim phase, and the question of Jerusalem is delayed until the final status negotiations, the council may be forced to accept Gaza or Ramallah as the de facto capital of the Palestinian entity.
7. This will lead to the need for the council to make concessions on Jerusalem in the final status talk in 1996.
8. I predict a lessening of demands for self determination, since the whole process takes place within the framework of Oslo I and II, which place a ceiling on Palestinian aspirations.
9. Similarly, the elected body will have to make a serious retreat on the right to return and refugees.
10. In view of the above, the only option for the council to maintain legitimacy is to open the door to prepare for future confederation with Jordan as the only way for the Palestinians to achieve a measure of sovereignty.

Towards the European Union, 1945-57

by Dr. Othman Othman, Professor of Political Science, An-Najah University, Nablus

The ideal of European unity has recurred throughout the history of continent. After the First World War, the idea began to take greater shape with several proposals calling for the unification of the various European states and the formation of a United States of Europe.

At the 1927 conference of European academics in Paris, French Foreign Ministers Aristide Briand called for the creation of a United States of Europe following the model of the United States of America. In 1929, after becoming Prime Minister, Briand sent a memorandum on European unity to 21 European states calling for the establishment of a federal union. Briand also made the same suggestion to the League of Nations. Briand's initiatives, however, did not enjoy success due to the opposition of Britain and Italy, the world economic crisis of 1929 and the rise of the Nazis to power in Germany in 1933.

By the end of the Second World War, conditions were more suitable for peaceful progress towards European unity. Europe emerged from the war devastated materially and economically and facing innumerable social, economic and political problems. Individual states had demonstrably failed to solve the problems which had afflicted Europe prior to the war. Therefore, a federal and supra-national arrangement was increasingly seen as more likely to lead to peace and stability in Europe. In these conditions it is not surprising that many individuals and parties supported the establishment of a federal, democratic Europe, on the basis of mutual cooperation.

In a speech in Zurich on 19 September 1946, former British Prime Minister Winston Churchill called for the creation of a 'Council of Europe' as a first step towards the creation of a 'United States of Europe'. Churchill believed that America, Britain, the Commonwealth states and even the Soviet Union would be prepared to support such a unified European entity. However, Britain would not take part in the union, because of its membership of the Commonwealth. Days after Churchill's suggestion, members of European resistance movements at a meeting at the Vierwaldstattersee in Switzerland issued the Hertensteiner Programme, calling for the creation of a European community, on a federal basis, as a prerequisite for the rebuilding of Europe and as a member of a future world union.

At the Hague conference in May 1948, politicians and representatives of European organisations renewed calls for European unity based on a 'Council of Europe'. This conference was without doubt the source of the subsequent movement towards European integration.

In addition to conferences and declarations, politicians in France and Germany were calling for an elimination of barriers between European states, and the building of a cooperative Europe. Despite the common impetus to unity, there were differences on the actual nature of the unity proposed, some supporting a federal arrangement, some a unitary state.

The difference between the two possible outcomes was wide. Federalists tried to remove their project from the east-west conflict, while proponents of unity, such as

Winston Churchill, believed in the necessity of a European Union as a barrier against the Soviet Union. Federalists wanted states to delegate some of their authority to supranational institutions, while Churchill and Charles de Gaulle wanted to see unity between states without such diminution in authority.

The United States of America and European Unity

The post war economic hardship made fertile ground for Communist parties, particularly in Italy and France, where they attained 20-25% of the vote in general elections. The communist goal of overthrowing bourgeois governments seemed to be in sight, leading to a more positive US attitude towards the idea of European union as a barrier to increased Soviet influence. From 1948 - the year of the beginning of the cold war - American administrations began to see the attraction of European economic cooperation.

At the Moscow Conference of foreign ministers in 1947, John Foster Dulles, later a Republican Secretary of State, gave his well-known speech 'Europe must federate or perish' on the need for the establishment of an European economic union. Following the conference, Secretary of State George Marshall censured his European colleagues opposed to the formation of a European union. The committee of foreign, defence and naval ministers, formed at the conference to examine the possibility of US economic assistance to Europe concluded that American aid depended on the successful implementation of integration and the drawing up of an economic programme between the European nations damaged by the war.

Meanwhile, the architect of the US's containment policy, George Kennan, in his analyses to the American chiefs of staff, wrote that European internal cooperation would be a condition for defending European and American capitalism.

On 5 November 1947, Secretary of State George Marshall announced in a speech at Harvard University his European Recovery Programme, or Marshall Plan, a massive programme of US aid towards European economic reconstruction, the administration of which was to be supervised by the European Agency for Economic Cooperation. American aid was at this stage already conditional on:

1. The necessity of European countries agreeing between them on the amount of aid to be requested.
2. The European countries taking collective steps to revitalise the European economy and remove barriers to trade between them.
3. The European countries being self-reliant by 1955.
4. After the Marshall Plan was completed, the Europeans were to form an organisation for future economic cooperation between the two.

The Marshall Plan was the economic component of the United States' containment strategy against the Soviet Union. The plan offered aid to all Europe west of the Ural. The Soviet Union therefore considered the Marshall plan as interference in its internal affairs, and was concerned that east European states would become dependent on the United States. These states were therefore prevented from participating in the plan.

At the Paris conference of foreign ministers in 1947, Soviet Foreign Minister Molotov described the plan as an attempt to create a western bloc in the tails of American economic assistance. Faced with the Russian refusal, France and Britain called for a conference bringing together European states to agree on European cooperation and solidarity. However, the two states soon differed about the form of cooperation to be advanced. France supported the creation of a strong and independent organisation with an independent secretariat and the power to take decisions and make interventions (in other words a supranational institution); while Britain looked to the creation of an organisation which would support the Americans without any diminution of national sovereignty.

As a compromise between these two positions, the European Committee for Economic Cooperation was formed, whose role was to administer United States aid according to European requirements. On 12 April 1948, this committee became the Organisation for European Economic Cooperation.

American fear of the extension of Soviet influence into western Europe, prompted its provision of economic aid and support of moves towards European integration. In contrast, France was less concerned with the Soviet threat and the communist influence in western Europe than with the danger of Germany once again being capable of threatening France. The US, however, was convinced of the need to rebuild and strengthen western Germany against the Soviet Union.

Between these two positions, Britain called for a conference on defence cooperation between the US, France, and the Benelux countries. The London conference was held in February and March 1948, where it was decided to integrate the economies of the three western occupation zones in Germany creating the Federal Republic of Germany. The industrial Ruhr area was to remain under international administration at the suggestion of the French.

On 17 March 1948, Britain, France and the Benelux countries signed the Brussels Treaty for Western Defence (westunion) aiming at defence, economic, social and cultural cooperation. When Italy and the Federal Republic of Germany joined in 1954, the body became known as the Western European Union (WEU), with Spain and Portugal joining in 1955.

These developments led to a Soviet response with formation of the Council for Mutual Economic Assistance (COMECON) on 25 January 1949 in order to coordinate the economic policies of the states of the socialist bloc.

On 5 May 1949, 10 European states formed the Council of Europe with the aim of economic cooperation between its members, without a defence element. France suggested that Britain would join, strengthening the council and adding to its significance. France considered that the absence of Britain would influence Ireland and the Scandinavian states, and perhaps Italy not to take part in the Council.

The Council of Europe did not achieve any of its hoped for goals, as its decisions were not binding on member states. European attempts towards integration failed against British and Scandinavian obstruction and opposition, who were not prepared to join the Council of Europe unless its responsibilities were further circumscribed. The council concentrated on technical and cultural agreements and human rights.

The Schumann Plan

However, this did not dissuade French politicians from continuing their attempts towards European integration. On 9 May 1950, French Foreign Minister Robert Schumann presented a plan for the integration of the French and German coal and steel industries under a higher authority, membership of which would be open to other European states.

The Schumann plan, which had been proposed by the French economist Jean Monnet, represents the first genuine step towards the establishment of a supranational authority in Europe. The programme had political dimensions, aiming at diminishing Franco-German economic rivalry, connecting German and French interests and preventing Germany from ever again being in a position to threaten France, making a future war between the two impossible and unthinkable.

The plan, while aiming to assuage French fear of Germany, at the same time was attractive to Germany in offering the Federal Republic the international recognition of which it was in need, under French auspices.

In the event, on 18 April 1951, Germany, France, Italy, Holland, Belgium and Luxembourg formed the European Iron and Steel Community (ECSC), pooling national sovereignty with regard to the two industries. Despite the success of this limited experiment, the ECSC did not allow for sufficient progress towards greater European integration. The Benelux countries proposed the experimental extension of the ECSC to all aspects of economic activity by the creation of a common market with limited responsibility in the spheres of energy and communications.

The six accepted the suggestion, and at the Messina conference of July 1955, a committee headed by Belgian Foreign Minister Paul-Henri Spaak was entrusted with studying the possibility of greater integration of the ECSC members .

In 1956, the Spaak Committee's recommendations were presented to the Venice Conference of representatives of the six governments, calling for the formation of a European Economic Community, and a European Community for nuclear energy.

After lengthy negotiations, agreement was reached on forming these two communities in Rome on 25 March 1957, subsequently ratified by the national parliaments of 'the six' and coming into effect on 1 January 1958.

Britain, which did not participate in the agreements, formed the European Free Trade Association (EFTA), with Ireland, Norway, Austria, Sweden, Portugal and Switzerland. After 'the three' (Britain, Ireland and Denmark) joined the EC in 1973, however, they left EFTA.

The Institutions of the European Union

by Dr. Nayef Abu Khalef, Professor of Political Science, An-Najah University, Nablus

The European Community was established by the Treaty of Rome, which provided for the setting up of four main institutions:

1. The Council of Ministers.
2. The Commission.
3. The European Parliament
4. The Court of Justice

These institutions are supported by the Court of Auditors, and at present are common to the three European Communities: the European Coal and Steel Community, the European Economic Community and Euratom.

The Council of Ministers

The Council is a forum of representatives of governments of the member states, one from each member government. Usually, governments are represented by their foreign ministers, but this varies according to the subjects under discussion. The presidency is held by each minister of the Council for a period of six months in turn. The main task of the Council is to ensure the realisation of the Treaty of Rome's objectives. Decisions are made by a unanimous vote, a simple majority or by a

qualified majority. However, the principle of unanimity on important matters has become the usual practice within the council; majority decisions have been taken only on relatively minor issues.

As the Union's principle legislative and decision making institution, the Council has the power to adopt Union regulations and directives submitted to it by the Commission and discussed by the Parliament.

The European Commission

The 16 Commissioners and the President of the Commission are appointed by unanimous agreement between the member governments for a term of four and two years respectively. In practice, this means that each member state is represented by at least one Commissioner, but not more than two.

Although nominated by their governments, the Commissioners pledge to be completely independent in carrying out their duties and to represent the common interests of the Union. The Commission is responsible to the European Parliament which can pass a vote of censure and force the Commission collectively to resign. The principle of the Commission's independence is well respected by the member governments. The Commission acts by a majority of its members (at least eight votes in favour). The main task of the Commission is to ensure the proper functioning and development of the Union. In order to carry out this task, the Commission derives its authority from two main sources: one is provided for in the Treaty of Rome and another is confirmed by the Council.

The Commission exercises its power in several ways:

1. The Commission initiates EU policies after consulting the appropriate institutions and interest groups. It then submits proposals to the Council for final approval.
2. The Treaty of Rome also provides the Commission with less subsidiary roles: it supervises the implementation of the Treaty's provisions and the measures taken by the Council; it formulates recommendations or delivers opinions on all matters dealt with in the treaty; and it is also consulted on a number of occasions.
3. The Commission represents the Union, both at Union and external levels, wherever the interests of the latter are affected. The Commission attends the various meetings of the Council and meeting of other Union institutions and committees. It also attends the meetings of the European Council (Heads of State and Government) and Foreign Ministers' meetings within the political cooperation framework whenever the Council is discussing matters related to the Treaty of Rome. The Commission also represents the Union in the CSCE

conferences, the Euro-Arab dialogue, the North-South dialogue and in many other international institutions and conferences of an economic nature.

4. In external matters, the Commission negotiates trade agreements between the Union and non-member states or international organisations. Nevertheless, such agreements are subject to the final approval of the Council.
5. Finally, the Commission is responsible for administering EU funds, which since 1975 have been financed entirely from its own resources. It also administers four special funds: the European Social Fund; the European Development Fund, the European Agricultural Guidance and Guarantee Fund; and the European Regional Fund.

The European Parliament

The European Parliament (EP), which has been directly elected since 1979, consists of 518 members. In 1991, 18 representatives from the former East Germany attended parliamentary debates as observers until parliamentary elections in 1995, when a decision on the number of members of the new EP is to be reached.

The members of the EP take their seats as members of international political groupings rather than as members of national delegations. There are 10 political groupings in the EP, representing the various political tendencies within the parliament.

The EP has 19 committees, each dealing with dealing with particular areas of the Union's activities. In addition, the EP can set up sub-committees, temporary committees or committees of inquiry which examine more specific problems within the EU.

The main responsibilities of the EP are advising on legislation; considering or rejecting the Union's budget; and exercising a measure of democratic control over the Union's institutions.

The Court of Justice

The Court of Justice consists of 13 Judges who are assisted by 6 advocates general. They are appointed by agreement of the member governments for a term of six years.

The Court of Justice is the supreme court of the European Union. Its main task is to ensure compliance with the law in the interpretation and application of the treaties. Therefore the Court has jurisdiction to give legally binding judgements regarding:

1. Interpretation of the treaties.
2. Review of the legality of acts of the Union's institutions in implementing the treaties.

Other Institutions

In addition to these four main Union institutions, there are two important committees which are involved in the Union's activities: the Economic and Social Committee and the Permanent Representatives' Committee. The Union's institutions are also assisted by the Court of Auditors.

The Maastricht Treaty: Its Meaning and Implications

by Dr. Nayef Abu-Khalaf, Professor of Political Science, An-Najah University, Nablus

In February 1992, the twelve member states of the European Community signed the Maastricht Treaty on European Union. The Treaty marked a new era for the Community, particularly after the completion of the internal market. The main aim of the new European drive was the strengthening of previous achievements.

Economic and Monetary Union :

The Maastricht Treaty has as its objective the establishment of Economic and Monetary Union (EMU), leading to a common currency. This objective is to be realized in three stages: (1) in mid-1990, the member states agreed to coordinate economic policies and to lift barriers to free movement of capital; (2) in early 1994, they aimed to strengthen the coordination of economic policy and to establish the European Monetary Institute (EMI). At the end of this stage, by 1999 at the latest, there will be a common European currency, the ECU. Once this goal is achieved, the final stage will follow: (3) the establishment of a European Central Bank responsible, together with the national central banks of the members, for a single monetary policy.

Common Foreign and Security Policy

In addition to the establishment of the EMU. The Maastricht Treaty called for the expansion of the Community into a political union, with a common foreign and security policy, to eventually include defence.

Coordination of foreign policies among member states of the Union takes place within the framework of European Political Cooperation (EPC), which was established in the early seventies. Security and defence policy are the responsibility of NATO.

Under the new EU Treaty, the Council of Ministers, upon guidelines provided by the European Council (Heads of States and Government), can agree on policy-areas for joint action on the international stage. The areas proposed for joint action in this

regard are¹:

- (i) The European security process in the Conference on Security and Cooperation in Europe (CSCE);
- (ii) Disarmament and arms control in Europe;
- (iii) Nuclear non-proliferation issues.
- (iv) The economic aspect of security, in particular control of the transfer of military technology and arms exports to third countries.

Economic and Social Cohesion

This is an area where the EU member states still lack a common approach. The UK is the only member not taking part in the joint attempt to harmonise social policy. However, the Maastricht Treaty on EU calls for the setting up of a new cohesion fund, alongside existing funds, to help reduce regional economic and social disparities. The member states will contribute to the Union revenue system according to their economic ability. Furthermore, the situation of the less wealthy states will be taken into account when it comes to allocating Union structural resources.

Other objectives

The Maastricht Treaty gives new rights for European citizens including freedom of residence in any member state, and the right of every citizen of the Union to participate in local and European elections where ever he or she resides.

The Union will play a more active role in several new areas including consumer protection, public health; visa policy; the establishment of trans-European transport, telecommunications and energy networks; industrial policy, education, environmental protection and research and development. The member states have also agreed to upgrade cooperation in the fields of justice and home affairs².

The powers of the European Parliament have also been reinforced including involvement in the enactment of legislation, in some areas now having a power of co-decision with the Council. The Parliament also has the right of approval of nominees to the Commission; and the power of assent for all major international treaties³.

¹ "Towards European Union", Commission of the European Communities, Office for Official Publications of the EC, Luxembourg, p. 7.

² *Ibid.*, pp. 2-4.

³ The European Parliament, Directorate-General for Information and Public Relations of the European Parliament. Office for Official Publications of the European Communities, Luxembourg, May 1992, p. 27.

There is still a long way to go before the objectives of the EU Treaty can be fully realized. As with the Treaty of Rome, the Maastricht Treaty demonstrates a gradual approach to the ultimate goal of establishing a united Europe. However, the immediate objective of the new drive is economic, namely price stability, which only can be achieved through the introduction of the ECU as a common currency by 1999. In the meantime, the member states' economic policies must be geared to currency stability, and avoidance of inflationary budget deficits. The intergovernmental conference to be convened in late 1996 will review the economic conditions for the establishment of the EMU. Only member states with sound national economies, price stability and sound public finances may move on to the final stage of the EMU⁴.

THE MEMBER STATES AND THE EUROPEAN UNION <i>Country Position Papers Prepared by the Participants</i>
--

AUSTRIA

by Samar Martha

Austrian Accession to the EU

Austria's late arrival in the Community is connected with its neutrality, which was perceived as an obstacle to her full participation in the process of European integration. Nevertheless, Austria always tried to find links and develop cooperation with the Community, resulting in the Free Trade Agreement of 1972.

In July 1989, Austria applied for EC membership, realising that, after the fall of the iron curtain, the EU had become the centre of gravity for European politics. From the economic perspective, Austria's EU membership will provide a significant stimulus to the country's development. The elimination of border controls between Austria and the EU partners will allow companies unhindered access to the internal market, and should make Austria more attractive as an industrial location.

The accession of Austria into the EU was positively perceived by the other members of the EU. The economic strength of Austria is considered to be a significant gain for the Union and will add to the dynamism of the integration process. Moreover, Austria's economic and social stability, her highly trained workforce and her strong currency will enhance the Union's competitiveness in the world market. Austria's European policy received broad support of the people. On 12 June 1994, 66.58% approved accession.

⁴ Towards European Union, *Ibid.*, pp. 5-6.

Austria and European Union Institutions

Austria strongly believes that the European institutions must be strengthened in order to meet the challenges of the future. Austria advocates the idea of strengthening the Commission, with equal numbers of commissioners among all EU member states. Austria favours increasing the powers of the Parliament, and believes that the co-decision procedure must be applied to all legislative decisions taken by the EU, except for those dealing with the CAP. To ensure the principle of subsidiarity, Austria proposes the creation of control mechanisms to ensure that Brussels genuinely deals only with those questions which cannot be better handled at national or regional level.

Economic and Monetary Union (EMU)

Austria considers it crucial to safeguard European jobs and assure future opportunities for industrial location in Europe. Therefore, Austria favours the implementation of European Monetary Union, and believes it should not be the subject of new negotiations at the intergovernmental conference of 1996. Austria insists that EMU be implemented strictly in accordance with the Maastricht schedule. Austria believes that those countries that are willing and able to move ahead should be allowed to do so, and therefore strongly advocates and encourages the functions of the European Monetary Institute (EMI).

Common Foreign and Security Policy

Most of the security problems facing Europe today cannot be resolved by a single state alone, but only through collective efforts and common institutions. Therefore, Austria advocates that:

1. The EU has its own security and defence identity and that it develops a common security structure.
2. Austria is integrated into these structures as an equal partner.

The Austrian government has recently decided that it will participate in the Partnership for Peace initiative. Austria's participation in this programme will be another stage of her involvement in creating security structures in Europe and a valuable opportunity to develop relations with the NATO. Such cooperation is seen as an important step in the direction of a better functioning European security system.

The Common Foreign and Security Policy (CFSP) requires upgraded mechanisms and more importantly a stronger political will by the member states. Faster progress can be made in CFSP if the existing intergovernmental structures and decision making procedures could be gradually replaced by communal ones. Moreover, there should be a gradual transition to decision by qualified majority.

Enlargement to the EFTA Countries and CEECs

Despite the importance of enlargement of the EU, Austria believes that full accession should take place only when those countries are capable of assuming the rights and duties of full members - and when their economies can objectively cope with the competition of the large European market. Countries that fall short of meeting the necessary economic criteria in the coming years must be offered some sort of affiliated membership arrangements. Integration at different speeds, in Austria's view, can make a positive contribution to the dynamism of European integration.

Judicial and Home Affairs

The growing problem of international crime calls for improved cooperation in the area of justice and home affairs. Therefore, in Austria's opinion, it is essential to review this part of the Maastricht treaty at the intergovernmental conference in 1996. Cooperation in this field should be characterised by effective European cooperation obtained by strengthening the role of the Commission.

THE KINGDOM OF BELGIUM

by Maral Kaprielian

Introduction

Located at the heart of Europe, Belgium is bordered to the north by the North Sea and the Netherlands, to the east by Germany and Luxembourg, and to the south and west by France. Over a period of three centuries, Belgium was occupied by the Dukes of Burgundy, the Spanish, the Austrians, the French and the Dutch.

In 1830, the Belgians gained their independence from the Netherlands, and in 1831 the Belgian constitution was drawn forming a constitutional hereditary monarchy and a parliamentary democracy. On 7 February 1831, Belgium was conceived as a constitutional monarchy with a unitary state which remained intact until 1970.

Decentralisation started with the Flemish Movement requesting that Dutch be recognised on an equal basis with the French language. The constitution of 1831 considered French the sole official language for statutes and decrees. In 1963, the principle of territoriality was adopted and in 1966, language boundaries were created changing the boundaries of the provinces and the communes and creating four linguistic regions.

In 1993, with a new revision of the constitution, Belgium became a federation of three regions: Flanders, Wallonia and the capital region of Brussels. These regions have their own legislative councils and executive bodies, i.e. their own government with directly-elected parliaments. Each community has its own representation in the

central government. The three communities deal with cultural matters, education, languages and health and have authority over socio-economic matters such as town and country planning, housing, environment, employment, energy, public works and transport. The central government is responsible for more important sectors such as national defence, foreign policy, social security, monetary affairs and justice.

The creation of a federation in Belgium has had serious repercussions on economy. Although it has helped decrease tension between the communities, it has contributed to making the Belgian economy debt-burdened, especially with the need to have the same services established in each region and community.

Belgium, together with Luxembourg in the BLEU (Belgo-Luxembourg Economic Union) is the 10th largest trading nation in the world. The greater part of its exports are destined for other European countries, which explains why Belgium is so sensitive to the evolution of the European economy and has every interest in European unification and the free traffic of goods and services.

The Role of Belgium in the European Union

Belgium was one of the founding fathers of the EU. It was the one of the first countries to take steps towards a greater Europe in 1944, when it signed the Convention on the Economic Union between Luxembourg, the Netherlands and Belgium, forming Benelux. In 1951, Belgium together with another 5 European States, formed the European Coal and Steel Community (ECSC).

The creation of a European bloc was seen as an attractive model of stability to avoid a repetition of the dreadful nationalist spiral which dragged Belgium and the whole of Europe into calamity, a model which can make a contribution to controlling the risks of rapid decline, and promoting the development of common interests, especially at a time when nationalism is coming to the surface once more.

Belgium, by becoming a member-state in the EU, gained a sense of stability as well as sense of unity of the country itself. Despite the cultural differences and national disputes in Belgium, the EU represents a source of common economic and political interest for the different regions and communities.

Today, Brussels is not only the capital of the EU but also operational headquarters of the EU Council, the Commission and the European parliamentary committees. Furthermore, financial institutions such as banks and unions, as well as international governmental organisations such as the NATO, have set up their headquarters there. Out of the million people in Brussels, 30,000 are non-Belgians working in EU institutions. This has transformed Brussels into an international city, tolerant of other cultures, where languages other than French and Dutch are spoken.

However, Belgium's interest in joining the EU extends beyond the need for stability and national unity. The EU is perceived as the means through which the challenges of unemployment, competition, social well being and political stability are met. Consequently, the government and people of Belgium support the Maastricht Treaty which is considered another step on the road toward integration and cooperation in creating a European Monetary Union, a Common Foreign and Security Policy, and further cooperation on judicial and home affairs.

Belgium, having an export-oriented economy, has every interest in supporting the creation of a single market, the opening of borders and creation of "frontier-free" trade, the elimination of taxation and customs, a Single European Currency (ECU) and the creation of a European Central Bank.

DENMARK

by Ayman al-Ayoubi

Introduction

Denmark is a constitutional monarchy with Queen Margarethe II as Head of State. A popularly elected parliament governs the country and the Prime Minister, who usually comes from the majority party, is the nation's chief officer. Mr. Poul Nyrup Rasmussen, leader of the Social Democratic Party, who formed his first government in January 1993, held onto office after last year's election.

Denmark remains committed to a strictly intergovernmental decision-making mode. With its strong economy it is among those countries which are closest to meeting the convergence criteria. Yet, it will not take part in stage III of Economic and Monetary Union. This is an emotional question, connected with historical experience with neighbouring countries and issues of heritage and language protection.

Denmark in the EU

Not only will Denmark not take part in stage III of EMU, but it also does not participate in the defence dimension of the Common Foreign and Security Policy and is only an observer in WEU. This is a part of the "National Compromise" which was largely accepted by the European Council at its Edinburgh Conference in December 1992. In this compromise, Denmark adheres to the WEU with the exemptions mentioned above. The government's position is respect for the National Compromise and maintenance of the *status quo* with respect to the EU institutional balance between larger and smaller countries. On the other hand, the government is trying to develop a more active and flexible posture, including a possible modification of the National Compromise and the question of WEU membership.

The basic points of the Treaty on European Union will be reconsidered at the 1996 Revision Conference. Each country has appointed a member to the Reflection Group where they will reconsider important issues dealing with agriculture, economic, environment, defence and foreign policy. The Danish Representative to the reflection group is Mr. Neils Ersbull, who has much experience dealing with the different institutions of the EU. Mr. Ersbull is pro-Union and by appointing him to this position, Denmark is giving a sign that it might change its stand towards the Union.

Denmark regards the Council of Ministers as the most important and legitimate EC body. In this Council, Denmark has equal power to other member states as each country is represented by one minister. On the other hand, Denmark does not have much influence in the European Parliament as it only has 16 votes out of 626.

FINLAND

by Hania Bitar

Finland presented its formal application for membership of the EU in March 1992. Actual negotiations on membership began simultaneously with Sweden and Austria on 1 February 1993. On 1 January 1995, Finland became a full member of the EU. In order to understand Finland's position vis-a-vis the EU, one should first consider the following questions:

1. Why was Finland late in joining the EU?

Jaakko Itoniemi, managing director of the Finnish Centre for Business and Policy Studies identified three main reasons behind the hesitation expressed by many Finns on European integration: agriculture, immigration and neutrality.⁵

It did not take long for Finns to re-evaluate their position. Farmers came to realise that Finnish agriculture was liable to significant budget cut-backs in the years ahead. For example, state support for the export of agriculture produce stood at markka 2.6 billion in 1993, falling to markka 1.3 billion in 1993, while the budgeted figure for 1995 is around markka 600 million. While it was made clear the rules of CAP will not be rewritten, the EU promised to take care of the agricultural problems of the Nordic countries' Arctic areas. As for immigration and neutrality, Finns came to realise that few people are thinking of immigrating to Finland, and that it was possible to become a non-aligned member of the EU.

⁵ Trade With Finland, The Student Union of the Helsinki School of Economics and Business Administration, 1992, p. 12.

In its report to the European Parliament on 14 February 1995, the Finnish government described its membership of the European Union as, "one of the most important decisions that Finland has made in her history as an independent state."

2. Why was Finland interested in becoming a member state of the European Union ?

Finland was interested in becoming a member state of the EU to:

1. Add clarity and strength to its international position.
2. Ensure the economic and social well-being of its citizens.
3. Strengthen the rights of and protection afforded citizens of EU member states.
4. Promote Finland's national and common European goals.

Finland and the EU's Foreign & Security Policy

The Union's Common Foreign and Security Policy complements Finland's national foreign and security policy. As a member of the EU, Finland will be particularly active in efforts to eliminate the new types of threats such as ethnic conflicts, the prospect of uncontrolled streams of refugees and migrants, safety problems relating to the environment and nuclear installations, and the spread of criminality.

An Undivided Europe

Finland believes that only an undivided Europe will be stable and secure. The gap in living standards that exists within the continent must be eliminated. The emergence of new military or political dividing lines must be prevented, therefore Finland is in favour of the central European countries and the Baltic states becoming members of the EU as soon as their economic and social development allows. Russia's transformation towards democracy and a market economy should be supported by the Union, especially that the Union now has a common border with Russia.

An Open Europe

Finland will participate in activities aimed at ensuring peaceful political development in the Mediterranean region as well as social and economic progress. Finland considers it as a basic goal to eliminate barriers to world trade as effectively as possible and to strengthen and expand the global system of multilateral trade.

Institutional Reforms

Finland's position is that the EU's fundamental character as an association of independent member states be preserved. The treaties and limits of the EU's competence can be amended only by unanimous decision of the member states. At the 1996 Intergovernmental Conference, Finland will be prepared to grant the EU powers in areas where acting together effectively is necessary. Finland will devote special

attention to safeguarding the decision making position of small member states at the conference.

Economy

Finland will work actively to promote the goals and strategies for growth, competitiveness and employment with special attention to the development of human resources. In order to promote economic and especially monetary stability, Finland supports progress in accordance with the goals set for the third phase of the Economic and Monetary Union.

FRANCE

by Lily Habash

French foreign policy and its European policy remain influenced by Gaullist philosophy, of maintaining French independence and status as a major power. France supports strengthening of a hard core in the EU centered around France and Germany, and continued integration towards monetary and defence union.

Institutions, Subsidiarity and the Democratic Deficit - the Future Role of the EU

- (i) The relationship between the French Parliament and the EP is not good, mainly because the latter is not considered a true parliament, the only true democratic accountability belonging to the national parliaments. Hence, France holds that the power of the EP does not need to be increased. The co-decision policy could be extended to cover social policy and all aspects of environmental policy.
- (ii) Qualified majority voting should in principle be extended to cover all decisions taken by the Council, with the exception of justice and home affairs, constitutional matters, and the Common Foreign and Security Policy.

Economic and Monetary Union

France respects the convergence criteria agreed at Maastricht. It believes in a concentric Europe with France and Germany forming the inner core, while other EU members wishing to travel more slowly could join a second circle. The East Europeans would be placed in the outer circle. EMU should not be delayed and its admission criteria should be applied strictly. Furthermore, the creation of EMU should not be delayed by the construction of a more substantial political union.

Common Foreign and Security Policy

France is strongly devoted to CFSP, seeing it as a partnership for peace, where the role of preventative diplomacy can be reinforced by a common foreign and security

policy. The objective is to lessen the US's influence in Europe by bringing a preventative response to threats to European security.

Reform and Enlargement of NATO

France believes that reviewing the transatlantic alliance is important for the Europe. Reform of NATO and a definition of partnership with Russia are necessary before enlargement. New members have to be ready to assume their collective responsibilities.

GERMANY

by PASSIA Staff

The Federal Republic of Germany was one of the founder members of the European Community in 1957, and since then has been one of the main proponents of continued integration, as well as the economic powerhouse of the Union. With reunification with the former German Democratic Republic in 1990, Germany has become by far the largest member state, with a population of approximately 80 million.

German Presidency of the Union (1994)

The German presidency was influenced by the federal elections held in October 1994 which moderated the German government's advocacy of continued integration. The German presidency had four main aims:

1. Reduction of unemployment through modernisation and deregulation of the Union's economic policy, active employment and environmental policies, development of trans-European projects, adherence to budgetary discipline and a closer coordination of member states' economic policies.
2. Strengthening of the Common Foreign and Security Policy (CFSP), particularly with the aim of opening the EU to Central and Eastern European Countries (CEECs).
3. Strengthening coordination in home and judicial affairs, such as police cooperation against drugs and terrorism.
4. Decentralisation and de-bureaucratization of the Union and better cooperation between the European Parliament and national parliaments.

Economic and Monetary Union

There is a broad consensus in German political and economic circles that the convergence criteria defined in the Maastricht Treaty must be adhered to. The Federal Constitutional Court ruled in October 1993 that failure to respect the criteria would be illegal. This ruling also had the effect that any further transfer of authority to the Union, especially the third stage of EMU, must be approved by the Bundestag.

Germany, therefore, will oppose EMU if the convergence criteria are not strictly adhered to. According to Hans Tietmeyer, president of the Bundesbank, adherence to the convergence criteria must take precedence over the Maastricht timetable. Tietmeyer reacted with interest to French proposals for a two-speed EMU, with a core centered around Germany and France, with greater monetary union for those countries qualified to do so. The political echelon however is concerned about the risks this would pose to the solidarity of the Union.

The functioning and development of the European Monetary Institute (EMI) must also conform strictly to the criteria agreed at Maastricht, in order for the EMI to fulfill its role of improving coordination between the various national central banks, preparations for the third stage of EMU and the creation of a European Central Bank.

Common Security and Defence Policy

A greater role for the CFSP instruments in coordinating European foreign policy was high on the agenda of the German presidency. Germany supports expansion of NATO to the east, and the partnership for peace programme.

Enlargement of the Union

Germany does not see a contradiction between deepening and widening the EU. It supported the accession of Austria, Sweden and Finland and supports expansion to the east. Since the CEECs' economic stability is seen as fundamental to the security of West Europe, Germany favours setting a date by the end of this century for some CEECs to join, even if not fully prepared for membership economically. Others ought to be offered affiliate membership agreements.

Germany is a signatory of the Schengen Agreement and supports its implementation. The German presidency also made establishment of Europol a priority. Germany also is in favour of a common immigration and asylum policy, although it is recognised that this will be problematic due to the divergences in member state law. Germany also supports greater integration of member states' civil and penal law systems.

Institutional Reform of the Union

Qualified majority voting should be introduced to most Council decisions, with unanimity remaining for fiscal and constitutional matters. The Commission could be reformed with larger countries appointing only one Commissioner, while groups of two or three smaller countries would also provide one Commissioner per group.

The politicisation of the appointment of the new President of the Commission was badly regarded in Germany. Germany proposed that the President should be elected by the European Parliament and confirmed by the Council. This would enhance the legitimacy of the Presidency and avoid interference from member governments.

Any strengthening of the Commission must be accompanied by measures to increase transparency and decrease bureaucracy in the Union, in line with the concept of subsidiarity agreed on at Maastricht. The Union ought to develop a more genuinely bicameral structure, with the EP representing the population of the Union and the European Council representing the member states. To improve continuity of EU policy, the troika should be replaced with an annually elected presidency.

Public Opinion and the Union

German industrial and employers' associations generally support the integration process since Maastricht, advocating greater transparency and subsidiarity. The CEECs are seen as an attractive potential market, but should not be allowed into the Union until prepared. The trade unions also generally support the process, but put more emphasis on social and employment policies. The political parties generally share the consensus on the EU and integration, though the rightist CSU in Bavaria attempted to make electoral capital by describing Germany as the paymaster of Europe. Public opinion itself tends to be more skeptical. A poll in May 1994 showed only 50% of Germans saw EU membership as beneficial. Turnout for European elections, however, is high, reaching 60% in 1994. A large majority of Germans are against a single European currency: 55% opposed, with 33% in favour.

Source: Most of the information for this piece was obtained from Revision of Maastricht: Implementation and Proposals for Reform, A Survey of National Views, Istituto Affari Internazionali, Rome, Summer-Autumn 1994.

GREECE

by Sagida Abu Yusef

In the midst of political conflicts with neighbouring countries, such as disputes with Turkey over the Aegean and Cyprus, Greece joined the EU in 1981, seeking political protection and international support.

Greece and the Maastricht Treaty

1. Relations between the European Parliament (EP) and national parliaments

Greece advocates:

- (i) A greater role for national parliaments regarding EU integration and policy.
- (ii) Structured relations between the EP and national parliaments to allow information exchange and consultation without affecting the EP role in the legislative and supervising field.
- (iii) Enhancing the role of the EP vis a vis other EU institutions. Greece believes the European Commission and Council of Ministers are pressured by larger countries to the detriment of Greek interests.

2. Economic and Monetary Union

- (i) Greece's government emphasizes measures lowering interest rates union-wide.
- (ii) Some senior officials have advocated that the Greek drachma should immediately enter the EMS as 'shock therapy'.
- (iii) The Greek government has a gradual approach towards stage III of EMU.

3. Common Foreign and Security Policy

The Greek government aims to maintain a veto on CFSP issues.

4. Attitude towards CEECS' membership in the EU

- (i) The Greek government holds that institutional deepening of the EU is a prerequisite for enlargement eastward.
- (ii) Greece advocates association agreements with CEECs.

IRELAND

by Rula Dajani

Ireland is an enthusiastic advocate of the EU. The Irish application for membership dates back to 1961 when both major political parties, *Fianna Fail* and *Fine Gael*, campaigned for membership. The Labour Party argued against accession but accepted the outcome of the nationwide referendum held on May 10, 1972, in which the Irish people voted 83% to 17% in favour of membership, with a turnout of 71%.

Through the framework of the EC, Ireland was seeking to co-ordinate its monetary, economic and foreign policy with other EU members. Key arguments for membership were: the British decision to apply, fear of jeopardising trade if they did not join, a belief that membership would free Ireland from the tense relationship with Britain, the prospect of agricultural markets with guaranteed prices, the prospect of foreign investment, and with the absence of a commitment to join a military alliance, membership would not present any threat to Irish neutrality⁶. Since Ireland is one of the poorer and smaller European states, it viewed membership with the expectation of both economic and political gains. Integration would facilitate the passage from the protectionist attitudes and policies that had dominated national economic policy-making to outward-looking policies. In fact, almost immediately "...the economic power of the Union was seen most clearly when Ireland joined and (the Irish) saw their living standards soar within months..."⁷

⁶ Sir William Nicoll: "The Maastricht Treaty" Summer 1993.

⁷ *The Jerusalem Post*: "The Eternal Optimists", September 25, 1995.

Since Ireland's accession to the EC in 1973, the Common Agricultural Policy (CAP) has ensured improved prices and secure markets for most of the important agricultural commodities. For example, between 1973 and 1986, Ireland received IR5.7 million pounds in net receipts from the Community, and that in 1986 the net budgetary transfers were equivalent to 13.5% of current government revenue.

Ireland supports the EMU and a single currency since it fears that it might find itself linked again to the British economy. In 1979, the Irish pound was able to break the link with sterling thus enabling the Irish pound to join the EU's Monetary System.

On the political front, joining the EC added a multilateral dimension to the bilateral relationship with the UK that had dominated Ireland for some time. Ireland is not a member of NATO and has observer status in the WEU making the Irish government willing to join a common European defence alliance if the need arises.

National vs. European Agenda

Unemployment

Ireland considers the promotion of employment and workers' rights an important objective. Before joining the EU, the unemployment rate was around 18%. By 1994, it rate had fallen to 16% because of aggressive structural reforms and strict policy measures, but still high when compared to the EU's rate of around 10%.

Abortion

Irish politics fell into a crisis over abortion when the Irish Attorney General refused to allow a raped 14 year old to travel to England for an abortion. Some felt that Maastricht was making abortion legal in Ireland, while others felt that Ireland was not allowing free movement. Thus, the new arrangements of Protocol 17 attempted to make clear that nothing in the Maastricht treaty nor any Community treaty affected the prohibition on abortion in the Republic of Ireland.

Neutrality

Common Foreign and Security Policy proposals were always delicate for Ireland, given its history of neutrality. The government added a declaration in the Maastricht treaty affirming that "...the provisions of Title III do not affect Ireland's long established policy of neutrality ... and does not affect Ireland's right to act or refrain from acting in any way which might affect Ireland's international status of military neutrality"⁸. Ireland will participate if the EU develops its own security system.

⁸ Christa van Wijenbergen: Ireland and European Political Union, European Institute of Public Administration pp 137.

Decision-making

Ireland insists that the decision making procedures should continue to be based on consensus and that qualified majority voting could be extended to most social policy areas in the first pillar but not in the second and third pillars. In reference to the European Institutions and power sharing, Ireland

- favours the current institutional balance and distribution of powers in the European Parliament since Ireland has a small number of Irish MEPs (15) and played lip service only to any increased powers. The co-decision procedure could be applied to more areas of Union legislation.
- would like to see the EU to play a more active and coherent role in international politics.
- believes that the European Council should decide on European Defense questions and that the WEU should implement the decisions taken.
- is in favour of keeping the balance between the small and large member states when it comes to the composition of the European Commission.

Subsidiarity

Ireland has stressed the principle of subsidiarity, especially in the social and environmental areas, as the guiding principle with regard to the widening of the Community competence and warned against the danger of abusing this principle to prohibit further European integration.

Irish Role within the European Union

In the first half of 1990, Ireland held the Presidency of the EC. During the period, the Irish government was criticised as being passive in order not to appear in the role of constant 'demandeur' and as holding a low-key stance on the future development of the EC. Therefore, after the special meeting of the European Council in Rome on 27-28 October 1990, the Government expressed its position more clearly and presented several main principles that guided the government for the preparation of the IGC on Political Union. These principles were: keeping the balance between the political integration and the economic and social fields (Ireland has always favoured political integration as a protection for small states against larger neighbours); developing a constructive political role of the Community; deepening the Community; and reduction in the Community's regional disparities⁹.

⁹ Dermont, Keogh "Ireland and the Historiography of European Integration" Vol. 7. No. 1-2 June 1992 pp. 37-62.

Conclusion

To recap, Ireland holds a pragmatic approach towards further integration in the European Union. Economic and welfare issues were the significant factors which led to Irish membership of the EU. Through the framework of Maastricht, Ireland participated positively in the EU without having to compromise its neutrality. Emphasis was stressed on the distinction between political and military aspects of security. Ireland is fully participating and abiding in the economic and monetary criteria and should be therefore seen as one of the prime beneficiaries of EC policies.

ITALY

by Hitaf Barakat

The European Union Institutions and the Italian Role in the Union

Generally, the Italian government strongly supports all the EU institutions, although the current government is calling for a revision of the EU institutional set-up so as to enhance political integration. The present government wants to pursue European unity within a framework of economic liberalism and political federalism. In particular, Italy holds the following positions:

1. Italy suggests that the European Council should be transformed into a High Chamber of States.
2. Italy considers that the relations between the national parliaments and the European Parliament, in which it has 87 seats (out of a total of 626), is still insufficient, and that there should be more joint sessions and committees and more communication between national parliaments and the EP. The relationship between the national parliaments and the EP should be based on the principle of subsidiarity. Italy believes that the European Parliament should be granted the right to propose laws.
3. Italy believes that the Commission should be appointed by the EP. The Italian Government favours the reduction of the number of Commissioners.
4. Italy believes that the Court of Auditors should control the expenses of the European Common Police (Europol).

Italy's European Policy

Italian European policy is determined by:

1. Completion of the internal market.
2. Establishment of a common currency.
3. Creation of European defence policy.
4. Reinforcement of the (CFSP) European Common Foreign and Security Policy.
5. Constitutional guarantees for European citizens.

The 1996 Italian presidency will give Italy the opportunity to demonstrate its ability and to present its position on the revision of the Treaty on European Union. The Italian idea of the EU is to have a mechanism which allows better economic opportunities for the stronger economic countries and growth for the weaker ones. A two-speed Europe is not favoured by the Italians who, according to former Foreign Affairs Minister Martino, believe all member states of the EU should go together in the process of integration. The Italian government rejects partial monetary union and supports a strongly operational European Monetary Institution (EMI).

Italy supports the creation of a central bank, a single currency and a monetary constitution before the end of this century, but is willing to lengthen the transitional stage by few years so the majority of the EU countries can start with the EMU at the same time. The Italians want radical changes for the EMU macroeconomic criteria. According to PM Lamberto Dini, the Italian government sees European Monetary Union (EMU) as providing another essential tool, and is strongly committed to it.¹⁰

The Italian attitude to the Delors' White Paper¹¹, is compatible with the German proposal which supports the mechanism to liberalize the market from bureaucratic limits. The flexibility and deregulation of labour markets are high on the national agenda. In all cases the aim of the Delors White Paper is to stimulate the North-South economic relationship within Europe.

Public opinion polls on several European issues have shown that 57% of Italians support the establishment of the Single Market; 80% of Italians are in favour of the single currency; 79% support a European Central Bank; and that 83% of Italians are in favour of a European Defence Policy, providing that anything agreed should be complementary to NATO.

Italy has been in favour of EU enlargement to include the EFTA (European Free Trade Association) and the CEE (Central and Eastern European) countries, and sets no deadline for such an enlargement. Italy holds the position that the enlargement should not block further deepening of the EU. However, Italy shares Spanish concern about the need to protect the interests of the southern EU members. Italy considers the reform of the CAP an essential prerequisite for EU enlargement to the east, as such an enlargement requires a 75% increase in the EU spending on agricultural subsidies and aid.

¹⁰ Speech in Washington, October 1995.

¹¹ Jacques Delors, head of the European Commission, presented his White Paper "Growth, Employment and Competitiveness" on the European Single Market in 1985.

Italy supports a Common Foreign and Security Policy, with the need for clarification and reinforcements of the CFSP management in a form of a Political Secretariat, and considers that joint actions represent the most innovative use of the CFSP.

Italian Position on the Schengen Agreement

Italy supports the European right of freedom of movement, employment and residence for EU citizens. Italy signed the Schengen Agreement in November 1990, but has not yet ratified it (as all other five members did) and still delays its practical application because of some technical problems between the Schengen Information System and the national data system.

The protection of the external borders has recently become an important issue in Italy because of the large flow of immigrants from Albania and North Africa due to Italy's exceptionally long coastline. Despite this problem, Italy believes that political asylum cannot be denied when legitimate reasons exist, but this should be regulated within an EU framework in respect to third countries. Italy considers Europol as a positive tool to control international crime, drug control, terrorism and illegal immigration.

LUXEMBOURG

by PASSIA Staff

As the smallest member of the Union (2,600 square km, 400,000 inhabitants), Luxembourg has always been positive towards European integration. Indeed, steps towards this goal can be said to have been started with the Belgo-Luxembourg Economic Union in 1921, followed by the customs union between Belgium, the Netherlands and Luxembourg (Benelux) in 1944.

Luxembourg was a founder member of the EC in 1958, and ratified the Maastricht Treaty with comparatively little controversy in 1993. Luxembourg public opinion is among the most *communautaire* in the Union: 70% of the population expressed a sense of European identity, 65% saw membership of the EU as beneficial, and 55% favoured more integration.

THE NETHERLANDS

by Anwar al-Masri

1. The Netherlands Role Within the EU

The Netherlands joined the EU in 1958. As a result, Dutch exports increased considerably. Backed by a broad consensus from most political parties, the Dutch government advocates the full integration of the European countries.

2. Aims and Interests of the Netherlands

The Netherlands strongly sticks to full representation of every member state in the Commission. Even in cases of further entries, they will keep insisting on the appointment of a Dutch Commissioner. The Dutch government has expressed its strong support for the Delors White Paper on employment, competitiveness and growth, a policy which has already been embarked upon by the government.

3. Dutch Position on internal issues facing the EU

3.1. Economic and Monetary Union

Since the Netherlands depend largely on international trade, they attach great importance to the establishment of a single monetary policy. Economic and Monetary Union means that the currencies of all members will be replaced by the ECU. This implies that the member states coordinate their economic policies more closely which will strengthen the position of the EU in the world economy. In addition, the Netherlands is in favour of removing all barriers which hinder free trade.

3.2. Common Foreign Policy

Although The Netherlands is not a participant in Eurocorps, they strongly support the Eurocorps concept.

3.3. Judicial and Home Affairs

Immigration and asylum problems, drug trafficking and other international crimes are a matter of growing concern to all Europeans. As far as the Netherlands is concerned, all arrangements have been made to put the Schengen agreement into practice.

PORTUGAL

by Bashar Jaloudi

1. The issue of the European Parliament elections was the major concern in the Portuguese debate on the EU. Certain parties were apprehensive of federalism.
2. Portugal fully endorsed article 8b on the participation of EU citizens in elections to the European Parliament.
3. Portugal also holds that national Parliaments should be given access to the proposed EU acts before they are approved.
4. Regarding the appointment of the new Commission, Portugal believes that the Council of Ministers should be kept intact and given certain restricted powers.
5. On the macroeconomic level, the Government respects the national convergence programme but also states that there has to be a certain degree of flexibility in it.
6. The Exchange Rate Mechanism (ERM) is favoured in Portugal.

7. Portugal favours Economic and Monetary Union (EMU) as it approaches the convergence criteria, but also states that there is a need to strengthen the accountability of the European Central Bank.
8. The Portuguese Government has also sided with the Commission in making concrete proposals for the implementation of the Delors White Paper on employment, competitiveness and growth.
9. Regarding the EU's Common Foreign and Security policy, Portugal believes that division of labour between WEU and NATO can create a dilemma in certain situations.

SPAIN

by Adli Da'na

Brief History - From Isolation to Integration

For a century and a half (1800-1950), while other European countries grew economically, Spain suffered civil wars and subsequent dictatorship. Spain's return to the global stage was slow and above all dependent upon its economic recovery. Things started to move in 1953 with the Spanish-US agreement on defence, and the adoption of some crucial economic measures in 1959, which led to its entering the IMF and OECD. However, the actual break from the isolation Spain lived in for more than 40 years came in 1985 when it signed the Treaty of Accession to the EC and burst energetically into European affairs.

Joining the EU 1970-1986

In 1970, Spain signed a preferential agreement with the EC, but it was clear that in order to reach full integration into the EU, it should become a non-Marxist, anti-Franco country. It was only when Franco died in 1975 that Spanish foreign policy became free to develop. Spain joined the NATO in 1982 and, in 1985, signed the Treaty of Accession to the EC. Some opposition political parties could not accept this and so the government held a referendum which approved the continuation of Spanish membership of NATO. The resulting message from the public was that being in the Atlantic Alliance was an unpleasant but necessary price to pay for being in the EC.

Attitude towards the EU

Spanish public opinion was positive towards the EU when compared with others in the twelve. Some politicians did not support it yet when the final draft of the treaty of Maastricht was passed by the Senate in November 1992 with 225 votes in favour, there were only three abstentions and not one single vote against it. Some observers related this support to several economic, social, political and military reasons. Economically, although Spain gets very little from the net budget from the EC compared to other countries, it feels that any failure of the Maastricht project might

ultimately turn the EC into a mere free-trade area. This would mean a diminishing sense of solidarity with less developed member states which would hurt Spain.

In the Spanish class system there is a mutual lack of confidence between the ruling classes and the people. The ruling classes refer to the EC in the same tone of voice used in Third World countries when mentioning the IMF. The EC is seen as a scapegoat to justify the failure of external and internal Spanish government policies. Politically, Spain is afraid of separatism, while Catalan and Basque nationalists believe that any problem or instability of any state in Europe will enhance their struggle towards national identity. The feeling is of being part of a larger united power, a symbol of modernity which will provide more cultural freedom and democracy. The geographical continuity of the region will make Europe incomplete without Spain, which lies on the main waterway to the South European countries. Its close proximity to Africa, which is a very poor continent with a population growing much more rapidly than its economy, is such a big problem that it needs all possible help from the EC. Conversely, if the instability of Africa's situation is not solvable through aid and development, Spain can draw comfort from the joint military protection of the rest of the EC.

The Future

For all of these reasons and other practical, historical and psychological considerations which are present in the minds of most Spaniards, Spain's strong commitment to the European process is unlikely to disappear or waver in the foreseeable future, unless of course the EC itself becomes a blatant failure. Knowing that Spain, to a greater degree than its neighbours, has reduced its defence budget in recent years and at the same time has placed high hopes in the WEU, is a clear example of how much Spain is attached to the idea of united Europe.

SWEDEN

by Allam Ashhab

On January 1, 1995 Sweden became a member of the EU after a referendum in which 52.3% of participants voted yes and 46.8% voted no. Swedish membership signifies the culmination of a long period of economic integration and cooperation with the EU. Sweden's 1972 free trade agreement with the EC and the 1992 European Economic Area Treaty were important milestones on the road to membership. Sweden supports efforts to promote greater free trade by the EU and the expansion of economic cooperation with the Baltic states, central and eastern Europe. In Sweden's view, the EU must be an open union that does not raise walls against other countries. Nordic cooperation will continue, and Sweden will endeavour to prevent the raising of new barriers against those Nordic countries that are not EU members.

The Swedish position in the EU institutions

Sweden will have four votes in the Council of Ministers, 22 seats in the European Parliament and one in the Commission. Sweden will also nominate one judge to the Court of Justice and have 12 members on the Economic and Social Committee and on the Committee of the Regions, respectively. Swedish is an official EU language.

The EU budget

Sweden will contribute to the common EU budget in proportion to the size of the country. Its gross contribution, without reference to any funds that may flow back to Sweden, is estimated at SEK 20 billion per year. This is equivalent to 4% of central government expenditures. Sweden received the right to pay a reduced contribution over the first four years. Subtracting funds returning, mainly in the form of farm and regional subsidies, the annual net contribution will be around SEK 10 billion.

Environmental policy

During the negotiations, one important Swedish demand was that the country should not have to lower its environmental standards in fields where it has stricter rules than the EU. The outcome was that Sweden can keep its rules while waiting for the EU to move closer to Swedish standards. If Swedish and EU rules still diverge after four years, Sweden intends to retain its standards, citing the "environmental guarantee" in the 1957 Treaty of Rome.

Regional development funds

The EU is introducing a new type of regional aid for areas with population densities below 8 inhabitants per square km. Nearly half of Sweden will thus be entitled to this special EU assistance, totalling about SEK 2 billion during 1995-1999. In addition, Sweden is entitled to a portion of existing regional subsidies in the EU. In all, it is expected to receive SEK 2.4 billion in EU regional aid per year. No part of Sweden is considered poor enough to qualify for the EU's special aid for less developed regions, which goes mainly to southern Europe.

Military non-alignment

As an EU member, Sweden will retain its military non-alignment. No Swedish participation in any future EU defence alliance is contemplated. This was a condition during the membership negotiations. Sweden also intends to become an observer, but not a full member, of the WEU, the defence organisation of the EU countries. Sweden will promote a peace and security system that encompasses all of Europe.

Agriculture

Sweden supports plans to reform EU agricultural policy in the direction of fewer regulation and subsidies. In the long term, EU markets must become more open to farm products from other countries. Sweden keeps the right to continue its controls

on imports of chicken and other products in order to avoid salmonella infection. Sweden will also retain its ban on antibiotic additives in animal fodder. The country was granted quotas enabling it to maintain its existing share of Baltic fishing. As a result of EU membership, tariffs on Swedish seafood have been removed, greatly benefiting the country's fishing industry.

Monetary cooperation

Sweden has declared its willingness to participate in the emerging Economic and Monetary Union, but the Swedish Parliament will decide whether the country will eventually join a common European currency zone and an EU central bank, provided that plans to this effect become reality. The Swedish krona was previously pegged to the ECU, but this link was ended as a result of a European currency crisis during the autumn of 1992. The Swedish krona now floats in relations to other currencies. The government and Swedish Central Bank representatives have stressed that no changes in this currency regime are contemplated in the foreseeable future. The imbalances in the Swedish economy, such as large central government budget deficits and growing national debts, must first be corrected.

Openness

The Swedish constitution gives citizens broad access to information on the inner workings of the public sector. Anyone can ask to read public documents on file at government agencies. Sweden intends to maintain this "principle of publicity" as an EU member and to advocate greater openness by the EU regarding information and the decision-making process.

Sweden's policy in the EU

Sweden intends to be an active member of the EU. The Swedish government has specified the areas and goals that will be the focus of its within the community:

- An active policy to further economic growth and combat unemployment.
- An ambitious common environmental policy with tough rules and legislation on emissions and the use of chemicals.
- An open EU that promotes free trade. Greater cooperation with the Baltic states, central and eastern Europe, aiming at EU membership for these countries.
- A common European consumer policy that strengthens the role of consumers in terms of product prices, quality and safety.
- Greater openness and access to information about the EU.
- Equality between women and men in EU bodies, in the workplace and the family.
- Measures to combat narcotics traffic and criminal activities.

THE UNITED KINGDOM*by In'am Zaqout*

In the run up to the Maastricht summit, Britain was in favour of proposals to harmonise Community visa, asylum and immigration procedures, as part of the wider attempt to create the conditions that will allow free movement (from 1993). Britain however remained adamant that harmonisation of conditions of entry should remain the responsibility of the national governments working together through the Trevi group of Justice and Interior ministers, rather than being transferred to Brussels.

Britain has shown a deep ambivalence towards the Commission's proposal to abolish all internal frontier controls and is in favour of leaving them intact. Reflecting on the Commission's proposals in October 1986, the Home Secretary said, "A lot depends on the way we can strengthen our external frontier. The more effective we are in keeping drugs, terrorists and major criminals out of the Community in the first place, the easier it will be to relax our external controls."

During the European parliamentary election campaign, Prime Minister John Major was seen to have moved towards the position of the nationalist right wing of the Tory party. His pronouncements on a multi track approach to European integration are highly significant and one can expect the British government to argue for more variable geometry and for more UK opt-outs and derogations in significant areas of policy at the 1996 International Governmental Conference.

There is no prospect of a change in the government's position as it has a majority of only 15 in the House of Commons and there is a hard core of about 25 Tory MPs who are completely opposed to any positive development of the EU. In cases in which the Tory rebels unite with the Labour and Liberal Democrat opposition parties, the government has to rely on the Ulster Unionists, who too are largely hostile to European integration.

Meanwhile, the Labour Party scored a tremendous success on the European elections, with 63 MEPs. The election of Tony Blair to succeed John Smith as Labour leader will probably quicken the pace of reform in the party, although little is known about Blair's European policies.

The Liberal Democrats won their first ever seats in the European Parliament, a significant achievement given the prejudicial nature of the 'winner takes all electoral system'. This will serve to strengthen the European commitment of the Liberal Democrats, who remain Britain's only federalist party. During the recent party conferences, it became clear that the strategy of the Conservative government was to criticise Labour and the Liberal Democrats for excessive federalism.

The EU, the Middle East and the Arab-Israeli Conflict up to the 1980s¹²

by Dr. Othman Othman, Professor of Political Science, An-Najah University, Nablus

From the *Nakbeh* of 1948 until 1980, the states of the EU took a variety of positions towards the Arab-Israeli conflict. These positions evolved over the decades as the conflict itself developed. Sometimes European positions were close to that of the US, and sometimes more independent.

The EC was formed in the 1950s as mainly an economic entity. On security matters, the EC states were linked to NATO, which was dominated by the US. NATO's global strategy was determined by the US preoccupation with confronting the communist threat. This led to Europe following US policy in the international arena, including in the Middle East. US predominance in the region was compounded the retreat of a European role after the Suez war of 1956.

The tension between the western and eastern blocs was compounded by western Europe's dependency on the US. This marginalised European interventions in the Arab-Israeli conflict, which the west, especially the United States, saw as an extension of the wider east-west confrontation.

Europe and the US both looked to the Middle East primarily regarding their own security interests, ignoring the security and national interests of the Arabs. In the eyes of the west, the only threat to the world, including the Middle East, was the Soviet threat. Western policy towards the Arab-Israeli conflict was made on this basis, a serious error from the point of view of the participants in the conflict. The west refused to sell arms to the Arab states unless the Arabs agreed to form a western alliance linked to NATO against the Soviet Union. A consequence of these attitudes was the formation of the non-aligned movement by Egyptian president Gamal Abd al-Nasser and Yugoslav leader Yosip Broz Tito.

Nasser and the Arab states saw the real threat in the Middle East as the state of Israel and those western states themselves which still had imperialist interests in the Arab world. In view of this, Nasser and Saudi Arabia opposed western policy in the Middle East, especially the formation of the Baghdad Pact in 1955, of which Britain was a member.

The place of Israel in western policy in the Middle East also changed in the 1950s.

¹² This paper is based on a part of the author's Ph.D. thesis, published in German in 1991

The Soviet Union had recognised Israel *de jure* in 1948 before the United States. Nevertheless, Israel supported the west in its confrontation with the Soviet Union, particularly regarding the Korean war.

Western positions towards Israel also changed during the 1950s. There had been real opposition in the US Departments of Defence and State to voting in support of the partition resolution for security and economic reasons. The UK, subsequently one of Israel's greatest defenders in the European Union, opposed the creation of the state of Israel in 1948, fearful for its interests in the Arab world. France, Belgium, Holland, Luxembourg and Denmark all supported the partition resolution. West Germany was not yet created. The only current member of the European Union which voted against partition was Greece.

Israel's support for the west in its confrontation with the Soviet Union led to western support for Israel in its confrontation with the Arabs and, overnight, the Soviet Union became one of the main opponents of Israel. Eventually, those Arab states which refused to involve themselves in the east-west confrontation were forced to turn to the Soviet Union for arms after the June War, the very development which the west had opposed, while Israel in turn received military, economic and political assistance from many western states, especially the United States. It is necessary to point out that the Arabs did not choose this path of cooperation with the Soviet Union, but were pushed into this by the consistent western support for Israel. As Nasser pointed out to the Egyptian National Assembly shortly after the war:

I no longer understand American foreign policy which spends \$30 billion to combat Soviet influence in South East Asia, and sends its sons to Vietnam to come back dead, while in our region, America gives millions of dollars to Israel and thereby encourages Soviet influence in our entire region.

Israel's relations with western Europe until 1967

Since its foundation, Israel pursued a foreign policy in conjunction with western strategy. The western states which had created Israel did everything in their power in order to protect and support Israel after its creation. Without western military, political and economic aid, Israel could not have survived or been capable of the aggression of June 1967 against the Arabs or the occupation of land of Arab states.

On 25 May 1951, the US, France and the UK issued the Tripartite Declaration, advancing a collective position towards the Arab-Israeli conflict and defining future western policy in the region. In the declaration, the three states expressed their opposition to the use of force between the states of the region, and that they would take the strongest steps, within the United Nations or outside, to prevent any state

from violating borders or cease fire lines. The three states therefore supported the existence of the state of Israel within the 1949 armistice lines, not the borders set by the 1947 partition resolution, that is acceptance of Israeli sovereignty over those areas occupied by force in 1948-9. The declaration also supported the Israeli position in advocating a military balance between Israel and all the Arab states.

Further evidence of western prejudice in favour of Israel lies in the Suez war of 1956, in which two of the signatories to the Tripartite declaration participated in the aggression against Egypt, thereby breaking their own prescriptions. Meanwhile, western states, especially France, the German Federal Republic and the US supplied Israel with arms at the same time as preventing the Arabs from acquiring arms.

The States of the European Community and the War of 1967

'The six' did not take a common position towards the June War, each state taking a separate position based on its national interests and policies. France was the only EC member which condemned the Israeli aggression and considered that Israel started the war. France supported the position of the Arab states in the UN and demanded the implementation of UN Resolution 242, itself largely formulated by France.

After the war, de Gaulle declared that the Arab-Israeli conflict had to be settled on the basis of a full Israeli withdrawal from the territories recently occupied and mutual recognition among the parties to the conflict. France imposed a complete cessation of further arms sales to Israel. However, the other five members of the community, especially Germany and Holland, were supportive of the Israeli aggression.

The spontaneous and uncoordinated European support for Resolution 242 was the first collective European position taken towards the Middle East crisis. The achievement of this resolution formed the basis for future European political interventions in the Arab-Israeli conflict, whether on a collective or individual level.

The first European-Arab meeting to examine the problems of the Middle East was held in November 1970 in Munich, at which European and Arab foreign ministers agreed to form an information committee with the specific purpose of studying the situation in the Middle East.

The Palestinian Cause in Europe until 1967

During the 1950s and 1960s, the EC did not arrive at a collective or a positive position towards the Palestinian rights of self-determination, return of refugees or to establish a state. This remained the case after the beginning of the Palestinian armed struggle for freedom and independence. Nor did the EC states recognise that the Palestine question was the core of the Arab-Israeli conflict. The West saw the solution of the refugee problem as occurring over time with the absorption of the refugees into

their host societies, and believed the Palestinians would come to accept this.

The Euro-Arab Dialogue and its effect on European-American relations

From the beginning of the 1970s, it became clear that Europe's overwhelming economic interests in the Middle East necessitated a political expression. Europe looked to economic development in the region as the way to solve political problems in the Arab world.

Prior to the October War of 1973, political activity in the region was left to the US. This war, however, led the European states to a number of important conclusions:

1. The superpowers (the US and USSR) were the dominant actors in international affairs and any European role could only be marginal and limited.
2. The superpower confrontation in the Middle East had Europe as a major victim, as was demonstrated by the US placing its strategic bases in Europe on a state of alert during the war, arrived at without consultation within NATO.
3. Similarly, the supply of weapons to Israel from a number of US bases in Europe, especially in Germany, without informing European governments, led to the members of the EC refusing American requests to transfer arms to Israel over their territory. The US airlift of arms to Israel was therefore, a source of strain in US relations with its European NATO allies, exacerbated by the American decision to place its forces on alert without European knowledge. The Europeans expressed the opinion that the purpose of NATO was to defend its members only, and stressed the necessity for consultation before taking crisis decisions.
4. Europe was considerably more vulnerable to the oil weapon in comparison to the United States, which had its own sources of oil.

In response to the Arab use of the oil weapon, Europe took two steps:

1. One month after the war, the Community issued a declaration on the crisis in the Middle East, stating:
 - i. The necessity of Israeli withdrawal from the territories occupied in 1967.
 - ii. The Community recognised the legitimate rights of the Palestinians, (not, however, the rights of the *Palestinian people*, or their *political* rights.)
2. The Community declared its desire for the opening of a dialogue with the Arab world, to discuss any future problems occurring between Europe and the Arab world.

One of the purposes of the Community in embarking on such a dialogue was to prepare the foundations for greater economic cooperation between Europe and the Arabs and to prevent any repetition of the oil crisis of 1973, which had threatened the economic stability of Europe.

Following the call by then French Foreign Minister Michel Joubert for the opening of a Euro-Arab dialogue, four Arab foreign ministers attended the summit of European heads of government in Copenhagen on 15 December 1973.

The official European Community position on the Middle East, arrived at by foreign ministers of the nine in Brussels on 4 March 1974, as well as the opening of a dialogue with the Arab world, led to an outcry in the United States.

On 15 April 1974, US President Nixon attacked the European Community, especially its collective stand against US policy. Nixon's speech was preceded by a speech by Secretary of State Henry Kissinger, attacking the EC's peace policy in the Middle East and warning that the search for a separate European foreign policy identity would lead to a confrontation with the US.

One of Kissinger's reasons for the attack was that European intervention as represented by the Brussels declaration and the Euro-Arab dialogue were contrary to Kissinger's policy of step by step diplomacy in the Middle East. US opposition to an active European role in the Middle East and the opening of the Euro-Arab dialogue also stemmed from the US's fear of a diminishing of its political domination of the region, endangering US control over oil supplies in the Gulf, which itself increased European dependence on the US.

In 1974, the US suggested the formation of the International Energy Commission in Washington as a means to pressure the Arab states and as retaliation to the bilateral agreements signed between some of the members of the European Community and oil producing states, which the US saw as a threat to its economic interests.

France initially opposed this, declaring it would continue making separate agreements with oil-producing countries. Foreign Minister Michel Joubert asked, "Why must France bend to the US? France must consider its own special interests. When Europe started to make its independence clear, Henry Kissinger opposed this. What does Kissinger want from Europe - a partner or a servant?"

However, the US was able to split the EC, and France was the only member not to join the International Energy Commission. Even this French opposition ended with the change in French government. With the presidency of Valéry Giscard d'Estaing, France abandoned its opposition to the International Energy Commission and joined the organisation in December 1974.

Meanwhile, with the Ottawa agreement of June 1974, the US achieved two significant concessions from its NATO allies. The US gained European acceptance of prior consultation with the US on European policy on any world issue, including the Middle East. In November 1974, EC Foreign Ministers agreed not to take any decision affecting US interests without prior consultation. The EC also announced that they would keep the US informed of the progress of the Euro-Arab dialogue in a continuous and detailed manner. European political interventions in foreign affairs were not to contradict US policy, but to complement and support it.

These decisions had an effect on the Euro-Arab dialogue, which became deadlocked without any notable outcome as the European Community prevented itself from taking an independent position towards the Arab-Israeli conflict or the oil question. The Community now insisted that the dialogue concentrate on economic and cultural matters while the Arab side wanted to concentrate on political issues, especially the recognition of the PLO and placing of economic and political pressure to encourage Israeli withdrawal from the Occupied Arab Territories.

Until the cessation of the dialogue in 1979, the Europeans did not address a single major political request of the Arab side. European declarations repeated what had been stated in the declaration of 6 October 1974 without any noteworthy developments in the dialogue. Some progress however was made with the London declaration of 26 June 1977, in which 'the nine' declared that a solution to the Middle East conflict would not be achieved without recognition of the legitimate rights of the Palestinian people, including a recognition of their national identity, and the necessity of the establishment of a Palestinian homeland. The European states acknowledged for the first time the necessity of participation of representatives of all sides, including the Palestinian people, in negotiations.

Neither of these positions were in advance of US policy, however. On the contrary, US President Carter had already spoken of the Palestinian right to a homeland in March 1977.

The EC, in its declaration issued on 27 March 1979, expressed its support for the peace treaty between Egypt and Israel, considering this to be a step towards a comprehensive peace in the region. Differences between Europe and the Arabs widened with the Baghdad summit which denounced Camp David. Two months after the European declaration of support for Camp David, the Arab League requested a suspension of the Euro-Arab dialogue.

The dialogue remained suspended for one and a half years. Meanwhile, Europe began to progressively distance itself from Washington's policy and support for Camp David. At the summit meetings of Paris (18 February 1979), Luxembourg (28 April

1979), and Venice (21 June 1980), Camp David was not mentioned in any speeches or the final communiqués.

Emerging developments in the regional international arena led the EC to change its position and slightly distance itself from the policies of the United States and Camp David. This resulted in the Venice Declaration, in which the EC expressed its position on the settlement of the crisis in the Middle East:

1. The Egyptian-Israeli talks on Palestinian autonomy had clearly failed
2. Camp David would not lead to a comprehensive peace in the region as had been hoped, but would remain a separate peace between Israel and Egypt, especially in view of the Begin government's continued building of Jewish settlements in the Occupied Territories. The EC viewed this as a violation of the Geneva Convention on the protection of civilians in time of war. The declaration also pointed out the illegality of any steps taken to change the status of the Occupied Palestinian Territories.

Meanwhile, the Soviet invasion of Afghanistan and the Islamic revolution in Iran had led to the second oil crisis, and the raising of the price of oil by two and a half times. This played an important role in the new European position, due to European concern to maintain its role in the Middle East and fears for its oil supplies. This was expressed by German Foreign Minister Hans-Dietrich Genscher, who warned against "throwing the Arab states into the arms of the Soviet Union." Europe realised the necessity of reaching an understanding with the Arab states on the Palestinian cause, the most controversial issue between the EC and the Arab world.

At the same time, the Arab League made the fulfillment of certain conditions, especially the recognition of the PLO, a prerequisite for a return to the Euro-Arab dialogue. The French government under President Giscard d'Estang propounded this policy of reconciliation with the Arabs, criticising Washington's blind bias towards Israel. During a visit to the Gulf and Jordan, d'Estang confirmed France's support for the right of the Palestinian people to self determination and the establishment of an independent state.

This change in European policy came as the result of a realisation of Europe's special interests in the region, and confirmation of Europe's independent voice in international affairs, not as the result of developments in the Euro-Arab dialogue, which did not have a political component.

Throughout the 1980s, the EC remained fettered by the text of the Venice Declaration, and did not move beyond its parameters in the slightest. The freezing and retreat of the European role in the 1980s came about as the result of a number

of factors, the most important being the position of the United States following the victory Ronald Reagan in the presidential election of 1979. Reagan was extremely opposed to any independent European role in the Arab-Israeli conflict and demanded European subordination to his strategy of increased confrontation with the Soviet Union. Meanwhile, Reagan was hostile to the PLO and the Palestinian cause in general, considering the Palestinian resistance as 'terrorist'.

Reagan's Middle East policy was built on this basis of hostility to the Soviet Union, leading to the treaty of strategic understanding with Israel and support for conservative, pro-western Arab regimes. US policy in the region did not focus on a solution to the Palestinian question, but the creation of a strategic consensus against the Soviet Union, the establishment of US military bases in the region, and the domination by the United States of oil producing areas. Under pressure from the new American regime, Europe began renegeing on its previous position and returned to support for Camp David and US policy in the region.

The changes in European political leadership in the early 1980s, preferring to support American efforts in the Middle East, contributed to the abandonment of an independent and active European policy in the region. This change occurred in the three most important members of the community, with the election of Francois Mitterand, Helmut Kohl and Margaret Thatcher. This new position was made apparent with the participation of four European states in the Multinational Observer Force in the Sinai, marking European participation in the implementation of the Camp David agreement which the Community had originally opposed.

The European Union: Why Should Palestinians Care?

by Dr. Rosemary Hollis - Head, Middle East Programme, Royal Institute for International Affairs (RIIA - Chatham House), London

The history of Palestine has been profoundly influenced by European involvement in the Middle East, particularly during this century.

- Critical milestones include:
- The Sykes-Picot Agreement
 - The Balfour Declaration
 - The Hussein-McMahon correspondence
 - The British Mandate
 - The establishment of the state of Israel.

All of these occurred in the first half of the 20th century. From the 1950s onwards, with the rise of Nasser, Suez, Algerian independence and Ba'athist revolutions in Syria and Iraq, Britain and France lost their imperial roles in the Middle East. The US emerged as the major external power in the region and, for the duration of the Cold War, became obsessed with curtailing the Soviet Union's access and influence in the region. The pre-eminence of the US in the region was encapsulated and reinforced with the second Gulf War, the collapse of the Soviet Union and US predominance in the Madrid Peace Process.

For four decades, therefore, there has been less reason for Arabs in general, and Palestinians in particular, to look to Europe to influence events in the Middle East. Why therefore should the Palestinians care about Europe?

Two recent key events have been:

1. The evolution of the European Community into the European Union (EU), establishing a major economic (and potentially, political) power bloc on a technically larger scale than either the US or the former Soviet Union.
2. The emergence of Palestine as an independent entity in need of every form of assistance.

The Palestinians can look to the EU to make a difference for several reasons :

1. The EU has important interests at stake in the Middle East, differentiated from US interests. These include the geographical proximity of Europe and the Middle East, the presence of migrants from the Maghreb and the Middle East in Europe and the historical legacy of British and French involvement in the region. Perhaps more important is trade - Europe is the single most important trading partner for Middle East and the Maghreb, and is reliant on oil and gas from North Africa and the Gulf. Politically, Europe's connections with existing regimes in the region means that threats to these governments are seen as potential threats to European interests and endangering trade and energy supplies.
2. The EU can and will affect the fortunes of Palestine. The EU is committed to supporting the Middle East peace process and economic development in defence of the interests mentioned above. The EU is both the single largest donor of aid to the Palestinians and is the largest trading partner of Israel, of vital importance to the Israeli economy and therefore capable of wielding direct pressure. On the multilateral track of the peace process, the EU's role in REDWG gives it the capacity to shape regional economic and development plans.

On a broader level, the EU's Mediterranean Partnership Programme (to be launched

at the Barcelona Conference, November 1995) is intended to link the non-European Mediterranean littoral states (plus Jordan) to the EU in a Free Trade Area, which will transform the economy and hence the political fortunes of North Africa and the Middle East.

3. The EU is prepared to use its economic weight for political and security objectives. In part, the EU has linked treatment of Israel on economic issues to its position on the peace process. Under the Maastricht Treaty, the EU pledged to develop a Common Foreign and Security Policy (CFSP), with emphasis being given to Middle Eastern policy. The EU increasingly has the capability to balance US actions in the region. Finally, the EU potentially represents a model for future Middle East cooperation.

The above factors establish the strategic rationale for Palestinians to take an interest in the EU. As a new and continually evolving multilateral entity, the EU presents certain challenges for all those wishing to deal effectively with it. The decisions and its policies of the EU are the product of the interactions of its component members, all with their own separate interests and agendas within and beyond the Union. Hence there is a vital need for Palestinians to study the EU in some detail, in order to arrive at effective strategies for dealing with it.

<p>The European Union and Defence and Security: The CFSP Agenda <i>by Dr. Rosemary Hollis</i></p>
--

The Maastricht Treaty commits the EU to devising a comprehensive common foreign and security policy (CFSP) and proceeding to develop a common defence policy (CDP) "which might in time lead to a common defence".

The initial impetus for the EU was security-orientated, the Union being founded on the assumption that economic integration and free trade would remove the causes of conflict which had twice devastated Europe in the first half of the century. The aim, particularly for the French, was to bind Germany into a European framework in order to prevent future conflicts.

Prior to the Maastricht treaty, member states of the then EC were committed to European Political Cooperation (EPC). The CFSP differs from EPC in that under EPC, member states are urged to cooperate while under CFSP they are committed to try to reach and abide by agreement on common positions. The CFSP also introduces the notion of joint implementation of policy, whereas EPC was limited to

the making of joint policy. Also, whereas EPC was concerned solely with economic aspects of security, the CFSP incorporates all security aspects of foreign policy.

Implementation of CFSP, and thereafter CDP, raises two issues:

1. Decision-making procedures within the EU and obligations on member states to implement such decisions.
2. Relationships between the EU and other bodies associated with European or collective defence and security.

Collective European Institutions

The European Union

Within the 15-member EU there is free movement of goods, money, services and labour. Prospective members from the CEEC countries are excluded from the free flow of labour. Mediterranean partner countries also have no free flow of labour and no prospect of full membership of the Union.

The Western European Union (WEU)

Established in 1948 by Belgium, France, Luxembourg, the Netherlands, and the UK, and subsequently joined by Germany, Italy, Spain and Portugal. Greece has observer status. According to the Maastricht Treaty, the WEU is seen as an integral part of the EU, and is potentially the military arm of the EU and the European pillar of NATO. Nine CEECs have been granted associate partner status in the WEU.

The North Atlantic Treaty Organisation (NATO)

Established in 1949, members are: Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, UK, USA. During the Cold War, NATO represented the Western military alliance against the Warsaw Pact and underpinned the US commitment to the defence of Western Europe. In the post Cold War period, NATO has emphasised the danger from "instabilities that may arise from the serious economic, social and political difficulties, including ethnic rivalries and territorial disputes, which are faced by many countries in central and eastern Europe" (NATO's "Strategic Concept" of November 1991). Some CEECs have been invited and are expected to join NATO, but only "partnership" has been offered to Russia.

The Organisation for Security and Cooperation in Europe (OSCE) (formerly: CSCE)

Established in 1972 to bridge the Cold War divide, the OSCE now links 53 states in Western, Eastern and Central Europe, the Commonwealth of Independent States (former Soviet Union) and North America.

The Task Ahead for the European Union

The EU must reconcile the composition of the EU with that of the WEU and establish a relationship with NATO. This also implies a harmonisation of membership and demarcation of roles of the respective organisations. Moves towards collective security policy beg the question: against what are CFSP and CDP intended to defend? As with NATO, the EU seems likely to concentrate on containing ethnic conflicts in Eastern and Central Europe, notably in former Yugoslavia, in addition to attempting to stabilize North Africa through the Mediterranean Partnership Programme. This represents part of a security policy for southern Europe in the form of a comprehensive plan for political and economic development across the Mediterranean.

Governing NGOs in the Transitional Phase - Current and Future Prospects

by *Dr. Denis J. Sullivan, Associate Professor of Political Science, Northeastern University, Boston, USA*

I would like to discuss what I have encountered so far in the course of my research on "Governing Palestinian NGOs", including the information I received from the Ministry of Social Affairs, the Ministry of Justice, PECDAR, Orient House and various Palestinian NGOs.

My central thesis is that the way in which the PA deals with the NGO community is an indication of the underlying philosophy of the future regime.

Having said this, and in order to elaborate this thesis, the following questions have to be investigated:

1. Whether the PA is supportive of issues such as democracy, participation and the strengthening of civil society, or if Palestine is destined to be ruled by an authoritarian regime.
2. Should the latter prove to be the case, the question is whether and how the NGOs will survive, especially in terms of external support (foreign or Palestinian diaspora funding). As regards the donor countries, including the EU, the recent past has shown already that their support has been focused on the PA rather than on the NGOs.

Regarding the first question, I believe that Arafat must find an appropriate balance between security and forms of control on the one hand, and openness towards the popular institutions of Palestinian civil society on the other.

The development of the recent NGO Law was interesting enough *per se*, but has shown little dedication to the second point: The way in which the law was drafted, written and has almost passed approval indicates a concentration of power in the hands of the PA rather than an exchange and dialogue between the NGOs and the Authority. The NGO Law was drafted by two individuals which hardly consulted with others. Nor were those affected by the law invited to participate or contribute to its formulation. As such, this law reflects a spirit of control, characterised by restrictions and limitation of rights and groups.

The law then was amended to clarify several issues, such as the controversy of registration as against licensing (a phenomenon often observed in Egypt, where while most NGOs are registered with the Social Affairs Ministry, few obtain a license from their appropriate Ministries). Such methods do create considerable distrust on the part of the NGOs towards the PA. What is feared is that as the authority has given itself as many rights as possible, only responsibilities are left over for the NGOs. The main problem as perceived by the NGOs is the obligation to report on fundraising in detail in order to obtain a license. A look at those bodies interested in the NGOs and related issues - the Ministries of Social Affairs, Labour and Justice and the *Mukhabarat* (Security Service) - shows that there are reasons to worry about the future.

Although the current situation is not in favour of the NGOs, there are various means to lobby against the proposed Law:

- Networking, a traditional Palestinian activity (particularly among NGOs), is crucial in order for civil society to be effective and to fulfil its function: an intermediate level bridging the gap between the government and the people. Networks can contribute to the lobbying efforts through cooperation, exchange of information and mobilisation of people.
- The Palestinian NGO Network (PNGO) has already been very active in publicising the draft law not only locally but also internationally. Thus, it has made public the reservation and skepticism of the NGO community in Palestine towards the new law.
- Individuals within the PA can be approached in order to broaden the base of support for the NGOs' aspirations, especially since many of the current PA members have formerly been heads or staff of NGOs themselves.
- The topic can be raised at international fora (such as the donor conference in Paris), where the dispute between PA and NGOs is widely known and where the potential for external pressure on the PA can be mobilised.

Palestinian society is currently in transition, with governors and governed working together for the first time. Within this scenario, the visions of the two sides (PA - society) clash: while society tends to be more idealistic, the authority is rather pragmatic, making 'development' the priority. The PA's view is more of a patriarchal hegemony, in which sector by sector will be addressed and dealt with from above. The PNGO, in turn, wants to be perceived as a single NGO community.

The civil society must be aware of the implications of the PA and has to accept it as a *fait accompli*. From this starting point, it has to find appropriate ways of dealing with the authority within the given framework. The PA on the other hand must be aware of the likelihood of resistance from society against any forms of dictatorship.

For the NGOs it is now the time to redefine themselves. Some of them have already been, or will be created, in order to absorb oppositional forces, a common phenomenon throughout the Middle East. Others will be replaced by or integrated into PA bodies, and thus fulfill the role for which they were originally established, substitutes for previously absent governmental institutions. A last group, however, will remain "real" NGOs, whose tasks is to build, enrich and serve civil society.

A comparison of Egypt and Palestine shows that they have one thing historically in common, namely a noteworthy tradition of social activism, particularly a long history of women's and other grassroots organisations. In Egypt, however, these achievements have faded over time, and the mobilisation of the population has declined considerably. The Egyptian NGO Law has been instrumental in this, for example by providing that one member on each board must be government-appointed, or that multiple board membership is not allowed. Palestine has not yet reached such a state of affairs, and I sincerely hope that the utmost will be done to avoid a repetition of the Egyptian experience.

<p>The Union and the Arab-Israeli Conflict: From Venice to Madrid <i>by Dr. Rosemary Hollis</i></p>
--

Venice Declaration, June 1980

The Venice Declaration was issued in the wake of the US-brokered Camp David accords, to signal Europe's intention to play a more active role in the search for a more comprehensive approach to peace-making in the Middle East. According to the declaration, "the traditional ties and common interests which link Europe to the Middle East oblige [the EC members] to play a special role" in the pursuit of regional

peace. The formulation of the declaration was in itself a milestone in the EC's quest for a common foreign policy.

However, the declaration was condemned by Israel, as it made explicit Europe's sympathy for the Palestinian cause. On the basis of UN Security Council Resolutions 242 and 338, as well as positions expressed by the EC on several previous occasions, the Declaration stated that:

"the time has come to promote the recognition and implementation of the two principles universally accepted by the international community; the right to existence and to security of all the states in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people."

The Declaration went on to state that the Palestinian problem was not simply one of refugees, that the Palestinian people must be placed in a position to "exercise fully their right to self-determination", and that the PLO would have to be associated with the peace negotiations.

Further, the EC stressed that they would "not accept any unilateral initiative designed to change the status of Jerusalem", and maintained that "settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law."

After Venice: Slow Progress and Poor Relations with Israel

The EC made only half-hearted attempts to follow up the declaration with action. This, in any case, was stymied, by Israeli, Egyptian and US opposition and preference for the Camp David process. Israeli reaction to the Venice Declaration was particularly vociferous.

Two days after the Declaration was promulgated, the Israeli cabinet stated :

"Nothing will remain of the Venice decision but a bitter memory. The decision calls on us and other nations to bring into the peace process that Arab SS which calls itself 'the Palestine Liberation Organisation'... all men of goodwill in Europe, all men who revere liberty, will see this document as another Munich-like capitulation to totalitarian blackmail and a spur to all those seeking to undermine the Camp David Accords and derail the peace process in the Middle East."

EU-Israeli relations were further damaged by the Israeli invasion of Lebanon in 1982. The EC condemned the invasion, and continues to call for a full Israeli withdrawal

from all of Lebanon. The EC imposed an embargo on arms sales to Israel, this being lifted in stages after the opening of the Madrid conference and signing of the Oslo agreement.

Development of the EC Position on the Palestinians

The EC progressively moved towards a more forthright endorsement of the Palestinian right to self-determination and the importance of involving PLO in peace negotiations. The *Intifada*, beginning in December 1987, caused much adverse publicity for Israel in the EC. In November 1988, the EC formally welcomed the PNC decision to accept UN Security Council Resolutions 242 and 338 as a basis for an international conference, which implied, according to the EC, "the acceptance of the right of existence and of security of all the states of the region, including Israel." The EC also welcomed PNC's renunciation of terrorism.

Meanwhile, Israel remained implacably opposed to any dealings with the PLO and continued to oppose an international conference for fear of the involvement of all UN Security Council members, preferring to deal with Arab states individually.

The Israelis remained critical of all EC statements in support of Palestinian rights. In January 1989, for example, Israeli Prime Minister Yitzhak Shamir told the chairman of the European Parliament that it was difficult to conceive of the Europeans as participants in the political process in the Middle East, precisely because the EC had demonstrated a pro-Palestinian bias.

For their part, a delegation of MEPs visiting Israel in 1989 told Knesset members that the EC could not accept Israel's rejection of any European role in facilitating peace talks. They emphasized that Europe was geographically closer to the Middle East than either of the superpowers and was Israel's largest trading partner.

During the Gulf Crisis of 1990-1991, the US quashed European (notably French) attempts to link movement on the Arab-Israeli conflict in return for an Iraqi withdrawal from Kuwait.

1991 Madrid Peace Conference

The Madrid Conference was convened by the US, with Russia as co-sponsor, essentially a token role. The EC was invited to attend, as opposed to participate and the UN was invited as observer only. The EC, though not altogether happy with the arrangements, deferred to the dynamics fuelling the process.

Meanwhile, the Commission and the Chairman of the Council of Ministers argued publicly about which of them should speak on the EC's behalf. In the event, the (Dutch) Chairman of the Council made a speech demonstrating the differences

between the EC and the US positions, calling specifically for Israel to accept the concept of "land for peace" and urging an end to settlement building in the Occupied Palestinian Territories.

The exclusion of the EU from the political aspect of the peace process is in marked contrast to the EU's role as the largest aid donor in support of the process - a fact which makes continued exclusion of the Europeans from the political side of the process unlikely, if not untenable.

After Madrid : The EU and the Peace Process

by Dr. Rosemary Hollis

It seems paradoxical that, in accordance with US and Israeli preferences, the EU is expected to have a marginal political role in the peace process, while expected to make the largest single financial contribution. This is due to:

1. The EU is the most important external economic partner of the protagonists, as Israel's biggest trading partner and the largest donor to the Occupied Palestinian Territories.
2. The US is no longer in a position to spread largesse in the exclusive manner as was the case with the Egyptian-Israeli peace treaty.
3. The precedent for multilateral "burden-sharing" was established with the Gulf War, in which GCC states and Japan were expected to contribute.
4. Israel wanted a renegotiation 1975 trade agreement with the EU and agreed to a European presence at Madrid as a *quid quo pro*.

In fact, the EU has not accepted such a marginal and acquiescent political role. In view of its large financial donations, the EU has exploited several factors to ensure a more active role:

1. The shift in the international security agenda away from reliance on military strength as the decisive factor, with more emphasis being given to economic power, particularly as a key to removing sources of conflict.
2. Related to the above, and technically separate from the Madrid peace process, the EU has been obliged to formulate economic strategies for its own security, for example the New Mediterranean Policy adopted in December 1990 and subsequently the EU's initiative for a Mediterranean Partnership Programme announced in October 1994.

3. The EU's financial and economic role in the Madrid process *does* provide the Union with the potential for leverage.
4. Potential for more active involvement is afforded by the multilateral track of the peace process, especially as with the EU's role as "gavel-holder" for the Regional Economic Development Working Group (REDWG).

In effect, the EU has established an important, multi-layered involvement in the peace process, in addition to the activity of individual EU members. However, Europe is not, and apparently cannot be, the driving force in the process - a role guarded for itself by the US. The EU track record on developing a common foreign and security policy is simply not good enough to enable it to rival the US.

Facets of European involvement in the Peace Process: The Multilateral Level

1. The EU is a member of the Steering Group.
2. On the Working Groups:
 - 2.1. "Gavel-holder" for REDWG
 - 2.2. Co-organiser of the Water Resources Group; Refugee Group; Environment Group.
 - 2.3. Arms Control and Regional Security Group.
EU allowed observer status only initially, but subsequently gained the status of "contributor."

Several European countries have hosted some of the inter-sessional activities, and made specific contributions to the work of the Water, Refugee, Environment and Arms Control groups.

The EU has been particularly active on the Regional Economic Development Working Group (REDWG), the largest and most active group. In October 1992, at the EU's initiative, the World Bank was asked to draw up a report on the economy and development needs of the Occupied Palestinian Territories. This report subsequently became the basis for the disbursement of aid to the Palestinians once the Oslo agreement was reached.

Following the Oslo agreement, the EU sought to make REDWG the umbrella organisation for the disbursement of funds to underwrite the peace process. Oslo also prompted the EU to move ahead on related issues such as negotiations for on a new Israeli-EU trade agreement.

The EU, Israel and the Mediterranean Partnership Programme*by Dr. Rosemary Hollis***Background**

From 1967, France ceased to be the key supplier of arms to Israel and the US began to fill the gap. This continued as the Camp David Accords of 1977-78 were underwritten by US pledges of annual military and civil aid to Israel. By the 1980s, this had risen to an average of \$3,2 billion per annum as Israel became a strategic ally of the US against the USSR. Meanwhile, European pronouncements on the Arab-Israeli conflict and its resolution were greeted with hostility or dismissal in Israel.

The European Single Market

In 1986, the EC signed the Single European Act, setting a deadline of December 1992 for the establishment of a single market throughout the Community. In 1989, future Likud leader Benjamin Netanyahu wrote that:

"Israel has always been so pressured by unpredictable events that it has found little time to prepare for predictable ones. The 1992 economic union of the European Community is eminently predictable. It is an historic change, the preparation for which we can neglect only to our severe detriment."

An assessment of the implications for Israel of the single market appeared in the Jerusalem Post in September 1989:

"The Israeli economy is based on protection and everything that represents the absolute opposite of free competition. Only firms that are capable of adapting to a competitive environment are able to develop export markets - many Israeli firms have shown that they can succeed handsomely abroad. Nevertheless, the domestic economy will be severely traumatised if its is opened up to foreign competition. That is why local manufacturers are fighting desperately to preserve their privileges and stall any moves in the direction of opening up."

The Israelis began to realise:

- (a) The need for adaptation at home to compete in the new Europe.
- (b) The importance of a new trading agreement with Europe.
- (c) The value of lobbying in Europe as well as in the US.

EC-Israeli trade relations are based on the Trade and Cooperation Agreement signed in 1975 and subsequently up-dated by protocols of, on average, 5 years duration. By the 1990s, Israel began to lobby for a totally new agreement in response to the fundamental changes in the EC. The main issue was the \$4.5 billion Israeli trade

deficit with the Community, with Israel attacking the EU for discriminatory trade practices. In January 1993, then Prime Minister Yitzhak Rabin stated that:

In 1991, our purchases in Europe stood at \$9 billion, and our sales stood at \$4,5 billion. An addition of a mere billion (dollars) in exports means 15,000 to 20,000 jobs. It is high time Europe changed its attitude, because Israel too has an option of buying elsewhere, and \$9 billion a year is not a trifle to Europe either.

The EU, meanwhile, criticised Israel for not presenting an open market, noting that the Israeli government purchasing law, for example, gives preference to Israeli firms over foreign competitors, while foreign currency controls have impeded a free market in the service sector.

The EU tied progress on the new trade agreement with Israel to developments in the peace process. The Israelis, for their part, while exhorting the EU not to mix trade and politics, demanded economic rewards for the Oslo Accord of 1993. Since Oslo, the terms of a new "Partnership Agreement" have been worked out, and persistent Israeli lobbying, has won entry to the EU scientific-technology research forum. On its side, the EU has confronted Israel on issues relating to direct trade relations with the Palestinians.

The EU-Mediterranean Partnership Programme

In the meantime, the EU has developed a Partnership Programme for the whole Mediterranean, which provides the context for the deal with Israel - albeit that deal reflects a level of technological sophistication in the Israeli market not matched in Arab countries. Initial trade relationships with the Mediterranean states were made as a series of bilateral agreements or protocols not linked into a comprehensive plan. With the advent of the Single European Market, the notion of a Mediterranean free trade area arose. The programme is evidence of the evolution of European thinking on economic and security dimensions to trade relations with states across the Mediterranean.

The Single Market: Economic and Monetary Union by Dr. Andrae Gaerber, Friedrich Ebert Stiftung (FES), Jerusalem

Dr. Gaerber gave a brief introduction to the Friedrich Ebert Stiftung (FES), a foundation of the German Social Democratic Party (SPD) which is carrying out three major projects in Palestine:

- Research Cooperation and Consultancy Projects; Research Cooperation with Non-Governmental Institutions in Palestine, such as PASSIA.
- An Election Programme (in cooperation with the FES in Brussels).
- A Cultural Programme, funded by individual German states

Dr. Gaerber then outlined the complexity and various levels of economic policy. The first distinction to be made is between an *open* and a *closed* economy, the latter being typical of countries which have no international relations and therefore no trade or other cooperative arrangements with others (such as Albania formerly).

Economic Policy and Integration

Within open economies, the national and regional levels must be distinguished. On the *national* level, trade policies are determined by prices, tariffs and subsidies on the one hand, and quantity and quota regulations on the other hand. Also crucial is Balance of Payments policy, in which prices play a role in influencing exchange and interest rate policies, while quantities will depend on restrictions of the convertibility of currencies. For example, weak currencies are generally seen as non-convertible.

On the *regional* level a distinction can be made between economic and monetary policy. Integration of both of these into a single market - as is the aim of the EU - is a long and difficult path, the various steps of which depend on the extent to which a market area is liberalised and harmonised among its members.

Five types of economic integration can be defined:

1. *Preferential Area*: Consisting of special trade agreements for certain countries and regarding selected goods or groups of goods, for example the agreement between the EU and the ACP (African, Caribbean, Pacific States).

2. *Free Trade Area*: In which either all categories of a certain good flow free or tariffs are liberalised or abolished as is the case with EFTA. Common problems of free trade areas are smuggling and cheating regarding the required certificates of origin of a product.

3. *Customs Union*: Whose members agree on same external tariff, while tariffs are abolished within the union. An example is the EU's Single European Market.

4. *Common Market*: Allowing for the free flow of productive factors (labour and capital) in addition to services and goods.

5. *Economic Union*: Economic parameters are harmonised and a single economic area is established.

The economic effects of these integration models are:

a) trade diversion: Abolition of tariffs within an area changes the prices of products; therefore, producers within the EU might become more competitive and replace former non-EU trade partners. Following the customs union within the EU, Germany began to import more vegetables and fruits from Spain, and less from the previously cheaper North African countries.

b) trade creation: With the same effects as above

c) trade extension/intensification: Abolition of tariffs provides an incentive to expand trade.

While the members of economic integration arrangements benefit from such changes, they have a negative effect on third countries.

Monetary Integration

Four different levels can be identified:

1. Fixed Exchange Rates and Convertibility

Instead of free floating according to the actual value of a currency.

2. Exchange Rate Union:

Members agree to fix their exchange rates within certain margins. Such a system was established within the EU in March 1979, but excluded Greece. The UK participated only from 1990-92. The main problems of an exchange rate union are:

- Some countries with weak or unstable economies cannot meet the requirements. This can cause serious imbalances within the union.
- Due to trade imbalances within the union, central banks of the member states have to intervene in the currency markets in order to stay within the given margins.

3. Currency Union

4. Monetary Union

An example being the European Monetary Union (EMU) currently being debated in the EU, the target date for implementation being 1999. The final goal of monetary union is the creation of a single common currency (ECU). The problem with such an arrangement is that most countries currently do not meet the conditions for participation (see Appendix B: Tables 1-4). The final decision on whether a country is ready to join the EMU will be made by the Economic and Monetary Institute in Frankfurt and the ECOFIN Council of the EU.

Advantages of EMU

- Using only one currency will decrease the transaction costs considerably, with no losses due to exchange rates. The savings within the EU are estimated at up to 25 billion ECU annually.
- Abolition of exchange rate fluctuations.
- Intensified division of labour within the Union.
- More specialisation and therefore more competitiveness within the Union.
- Increased wealth.
- The ECU can better compete with and will be less dependent on the Dollar or Yen than the existing national currencies.

Disadvantages of EMU

- There will be no independent set of economic and monetary policy instruments available to individual governments. Fiscal tools (taxes, subsidies) will be retained but it is unclear what methods will be available to avoid inflationary pressure.
- The adaptation process could be very expensive.
- A unified currency could lead to fragmentation rather than unification, with potentially 3-4 core EU members surrounded by 11-12 'second ranking' members.
- Economic union without political union may lead to problems.

The New Economic Agenda in the Post Cold War World & Palestine
by Dr. Rosemary Hollis

Marx identified the primacy of economics in creating political power. Power is most obviously based on military strength, but can also be based on production. For Marx, labour was the source of production and therefore power. Industrialisation was made possible by the mass mobilisation of labour. According to Professor Susan Strange, in the modern world, credit and information are equally important bases of power.

The power of credit

Those with credit to extend to any venture or project have an enormous amount of power. A global example is the power of the World Bank to grant countries' credit ratings. Ironically, the poorer the country the higher the risk, and therefore, the higher the rate of interest charged.

Following the Islamic Revolution in Iran, the new regime pledged to honour all international debts. They did this meticulously and had a great credit rating. The Iranian credit problem only occurred recently when the government tried to introduce market reforms. Iran borrowed too much in the hope that oil prices would increase, and did not have enough hard cash to repay debts.

There may be problems for Palestinians in acquiring credit. The Palestinian economy's size of only \$2,600 million GDP does not represent much purchasing power. Palestinian manufacturers must compete against Israeli goods. Selling in the regional market - e.g. Jordan, Syria, and the Gulf states - faces tariff barriers.

There are political factors which weaken Palestine's credit rating. Many creditors are waiting for the implementation of Oslo II and the final status talks before taking risks. Otherwise, investment would be an act of faith. For political reasons, the international donor countries pledged to provide money to develop the infrastructure. Such projects can help to reduce the risk of investments and thus encourage further investment. However, Israel is still putting on restrictions, primarily on imports and exports. A further dis-incentive to investment is the unclear land and property tenure. There is a need for the PA to put property rights on a firm legislative basis. Government incentives and inducements for investment can be crucial in acquiring credit.

The Global Economy

Margaret Thatcher used to say that running an economy is like a housewife going shopping: income and expenses must balance. The global economy has now reached a much more complicated stage. At the centre is the national economy, encircled by a regional bloc, itself encircled by the global economy. The likelihood of any state being entirely self-supporting is minimal. It is very difficult in today's world to have a truly closed economy. Only North Korea and Albania come close to such.

Since the Second World War, the global economy has developed three to four trading blocs: the Far East, NAFTA, the former Soviet Union, and the EU. Where does the Arab world fit into this? Granted, a regional bank for credit was discussed in Amman, but the overall trend is for capital to flow out of the region.

After the oil boom following the 1973 war, oil producing countries could not use all the income earned. The Gulf States, in particular, had more money than they could spend. Therefore, they invested and consequently created more credit. It is a tragedy that oil money developed other parts of the world than the Middle East, while Latin America and Africa took on debts which they could not repay. Some countries overextended themselves during the credit boom and have no prospect of overcoming their debts. The international system must hear pleas from the poorest countries that the only solution is to write-off debts.

Assuming that North Africa, the Middle East Gulf, Iran, Turkey, and Israel are not moving toward a trading bloc, there are many alternatives for the region. Middle Eastern countries could sign an agreement with an existing bloc. However, the European Union is the only bloc offering such a deal. The Arab Gulf states and the Indian subcontinent could form a bloc. North Africa, on the other hand, is probably moving towards the European Union.

Dealing with the EU: External Perspectives (Non-EU Member States) - The USA

by Paul R. Sutphin, Economic Officer, U.S. Consulate, Jerusalem

I am honoured to be here, especially as a non-European. I am from the Economic Office of the United States Consulate and my main jobs deal with aid to the Palestinian Authority, as well as business and economic issues. I am pleased to be here following such a distinguished series of speakers. I am a working diplomat, not a scholar. I like academia, but I deal more in the realm of facts on the ground. I am a diplomat by title, but undiplomatic in the interest of interchange. I have a little experience in the European Union; I worked at the US embassy in Copenhagen when the Danes held the Council presidency. I can claim a certain familiarity with the EU system, but I am not an expert in dealing with the EU. I just deal with it practically, deal with the issues from the outside. Rather than dwell on the institutional side of the EU, I will deal with the EU on the following levels:

1. The EU as a foreign policy partner.
2. The EU as a trading partner, economic partner.
3. The role of the EU and USA in the Middle East peace process.

The EU as a foreign policy partner

The EU is a multilateral organization which is complex and hard to deal with especially since there is no single decision maker who can guarantee an outcome. However, I can empathize with the EU due to a similarity between the US and EU. There is a problem with the EU bureaucracy, which is often positioned opposite the national governments - a clash of national and EU interests. The decision making process is unyielding. It is difficult for an outside entity to deal with the EU since most decisions occur behind closed doors. Policy making is a slow process with so many parties involved and with the European Parliament increasingly active. The presidency, rotating every six months, has problems because some European governments are more capable in operating the presidency than others. This, along with a lack of leadership and unwillingness to take risks has damaged the EU's

effectiveness in the Balkans. The EU was simply not up to task in handling the Balkans crisis. This will be so until one country in the EU takes a firm lead.

The question of consensus versus majority voting is important as the EU tries to be more active as an international institution. Speaking frankly, the current situation which needs consensus is not viable. For example, the Greeks block initiatives for closer EU links with Turkey. There are many places where national interests interject. The EU has to move more positively on a qualified majority voting instead of consensus based decision making. Britain opposes this most of all.

Another issue the EU has not resolved is how to fit into the European Union security stance. Most EU states are members of the Western European Union (except Austria, Denmark, Sweden, and Ireland). The issue of how the EU meshes with NATO is an area which needs attention. NATO was conceived as a counter-balance to the Eastern bloc. NATO needs to redefine its mission and try to take on other tasks. The West European Union (WEU) is a potential replacement only if US neo-isolationism becomes extreme. For instance, should the US withdraw from NATO, then there would be a possible role for the WEU. But the American military is still the largest, only the German military could potentially fulfill its role. There is also a certain reluctance of US policy makers to give up on NATO. The US needs NATO.

The EU is a potential rival in terms of foreign policy. The EU is still a half-formed entity and it is not clear what its eventual shape will be. However, Europe and the United States share basic values such as democracy, free enterprise, and respect for human rights.

The European Union as an economic partner

Barriers to trade

The EU has led to positive benefits for its members. Internally this is a wonderful thing. Two years after Maastricht, the Danes are loving it. Looking from the outside, however, there are problems. The EU is essentially a customs union. As outsiders, we are disadvantaged by quotas, tariffs, and non-tariff barriers to trade. There are squabbles over sectors. For example, broadcasting rights were turned into a non-tariff barrier by French concern about the extent of US penetration into the European entertainment market. On the question of beef imports, American producers use hormones in their beef and EU regulations do not accept this; this is another non-tariff barrier to trade.

The Common Agricultural Policy

The largest villain in this whole piece, however, is the Common Agricultural Policy (CAP), the price support system for European agriculture: it takes up 49.3% of the

EU budget and is the single strongest export factor except possibly aircraft. The CAP is based on the idea that the EU will fund any of its farmers regardless of need. This started in the 1960's but increased to a level that sucked more and more money from the EU. Consequently, Europe was treated to huge surpluses of butter and meat. In 1991, 175,000 pounds of butter, 27 million metric tons of cereal and grains, and 1.7 million metric tons of beef were sitting idly by. The CAP created cyclical dependencies.

The EU wants to expand, but it also needs to drastically reform the CAP policy. The World Trade Organization has put a ceiling on agricultural exports, especially in bulk commodities. Thus, it will be more difficult for the EU to get rid of surpluses in future. No-one wishes to drive the European farmers out of business, but European agriculture must become more efficient. American farms are agribusinesses utilizing about 20,000 dunums, whereas the average European farm is only 500-600 dunums. It makes no sense for Europe to pay increasingly high taxes for only a small benefit.

European Monetary Union (EMU)

EMU will take three more years to finalize a single currency. There was fear from outside the Union that adherence to the German model would lead to high interest rates throughout the Union, raising the cost of capital. Many EU members are hesitant about EMU.

US-EU Trade competition

The main areas of competition for the US and the EU are aircraft, cars, and high technology products. The top three world aircraft producers are, in order, Boeing, Airbus, and McDonnell-Douglas. Competition is unfair since Airbus is subsidized by the EU. Regarding cars, America, Europe, and Japan are the major producers. Some American cars are sold competitively in Europe and Israel. For instance, Opel and Vauxhall are owned by General Motors and 51% of Saab is owned by the Chrysler Corporation. The EU has attempted to raise a non-tariff barrier in terms of safety, but market forces predominate for the time being. In high technology areas, there is great competition. For instance, there is competition for tenders for the Palestinian power plant in Gaza, telecommunications facilities, the Palestinian airport and roads. Europe the advantage of proximity to the Middle East, which lowers costs, for example in transporting material. However, the Middle East is a difficult market for Europe and the US mainly because of the large role of the state controlled in the economy. A change has occurred since the Amman summit. The Middle East is becoming more open to foreign investment. European luxury products are popular, as well as American heavy appliances. The most successful exporters are those who can change their product according to changing market forces.

Discussion

Participant: Aren't 68% of the Danish against a common defense policy?

Paul Sutphin: The Danes are good at being negative. Their notion of defence independence is unrealistic. The Danes are notorious within NATO for being footdraggers. For example, when US warships entered Danish waters, the Danes wanted a confirmation that there were no nuclear weapons on the warships. But, the US could neither confirm nor deny the presence of nuclear weapons. Political chaos ensued, that ultimately led to a general election.

Participant: How do you see the outcome of the Amman summit?

Paul Sutphin: Amman produced more momentum than Casablanca where there was more rhetoric and not enough business. When the EU looks to the Middle East, it sees a market of 204 million. The Arab world is an untapped market and Israel is now entering it as well. Concerning exports, the real winners were the Jordanians since Jordan is an easy place to invest and since it is moving toward more democracy. Other Arab countries did well also. In Amman there was a question of perspective. The US felt it was important to move away from a statist model of government.

The peace process is perceived as US dominated. Europe felt pushed to give money at the 1993 Donor Conference. There is still great European suspicion about the Israel-US relationship. They feel the US role cannot be that of an honest broker since there is such a great history of connection with Israel. The important thing is that all these countries do have a common goal, a peace process that is supported in Washington and Brussels. The US needs to cooperate and to bolster coordination with the EU. At the Euromed Conference in Barcelona in December, you will see the Europeans committing themselves to ECU 466 million in aid to the Middle East.

The US lacks sophistication in dealing with the world. Our government is so much less involved than elsewhere and therefore, less knowledgeable. It hurts to hear Americans speak about Islam and the Arab-Israeli conflict. There is an unfortunate tendency in the US to associate Islam with terrible things such as terrorism and extremism. Take, for instance, the Oklahoma City bombing. The peace process opened American eyes to the legitimacy of both sides. The US is being pragmatic in finding solutions even though historically it has been more affiliated with Israel.

On the other hand, Israel often discounts what Europe says because Europe has not been supportive of its policy, while the US has more leverage in Israel. On the other hand, the US often forgets the interest of the Palestinians, or at least this is a complaint of Europe. Ultimately, the common interest is peace in the region.

Current Palestinian Concerns*by Dr. Mahdi Abdul Hadi*

My contribution will cover two main issues: (1) the question of Jerusalem; and (2) final status issues such as refugees and settlements.

Firstly, however, Mr. Rabin's funeral. Why is all the world coming to Israel? It is a clear message to the Israeli people to continue the peace process, especially a message to the Israeli centre, the 'silent majority'. Those of you who have been watching young right-wingers celebrating, know that they have been educated by Likud to believe that the peace process is a threat to the Jewish state. The Palestinians are also split. Academics and the educated realize the danger and seriousness of the assassination. Will it halt the peace process? Will Israel freeze re-deployment or will Mr. Peres develop a serious position on the issues? If there is a real halt in the peace process, we are stuck in Jericho, Gaza, and Jenin, which will lead to an increase in confrontation, blood, and tears. But it does appear that the peace process will proceed because the current government supports the process and has no other options.

Jerusalem

Regarding the question of Jerusalem, Peres stated in a meeting with the Troika last year that there were three aspects of the question from the Israeli perspective:

1. The political aspect. Jerusalem is politically closed. It is the eternal capital of Israel and a symbol of Israel's sovereignty. This implies that there will be nothing left to negotiate about at the final status talks in 1996.
2. The religious aspect. Jerusalem is holy to three monotheistic religions, but this has no bearing on political sovereignty over the city, which is to be perpetually Jewish-Israeli. Israel claims to have provided freedom of access to holy sites for all religions. Christians and Muslims may manage their respective holy sites, *but under Israeli supervision*.
3. The municipal and civilian aspect. Since Jerusalem is united under Israeli sovereignty, there will be only one municipality for two parts of the city.

On the ground, what are the practical effects of these positions? The implication that there is nothing to negotiate on Jerusalem is a violation of article 4 of the Declaration of Principles which commits Israel to negotiate on final status issues, including Jerusalem, no later than May 1996. Israel has long pursued policies designed to increase the Jewish population of the city, especially East Jerusalem, and to depopulate the city of Palestinians. Israel does this by various measures: high taxation, discriminatory housing policy, harassment of Palestinian institutions and so-called security measures.

There are more than 200 institutions within the East Jerusalem borders of 1967. However, the Palestinians have to be fully registered in Israeli institutions and files. For instance, PASSIA was registered as a non-profit organization in 1987. Suddenly, we were told that if PASSIA wants to continue receiving grants from European institutions we have to report this to the Israeli authorities. This is de-facto Israelisation. It is easier to work in Ramallah than in Jerusalem. Do we as Palestinians move out or do we continue struggling in Jerusalem?

Israel considers any Palestinian political presence in Jerusalem as a threat to its sovereignty. For example, visiting ministers are told that there is "no Palestinian address in Jerusalem." and are pressurised not to visit Orient House.

On the religious aspect, contrary to Israeli claims to ensure freedom of access to holy sites, the closure of Jerusalem to Palestinians from the West Bank and Gaza means that those who wish to pray in Jerusalem cannot do so. Ironically, therefore, West Bank Palestinians are trying to come in, while Jerusalemites are being pushed out.

The municipal council, according to the Israelis unified since 1967, has never been recognised as legitimate by the Palestinian population which has consistently been discriminated in terms of budgets, services, housing and so on.

If these three policies continue, East Jerusalem will become like Jaffa- another city where the Palestinian population has been marginalised by Israeli policies.

The Palestinian position on the city is very different:

1. Jerusalem is an inseparable part of the Occupied Palestinian Territories, and the political, geographic and cultural capital of Palestine. East Jerusalem must maintain its linkage to the rest of the West Bank, not only as an integral part of a future Palestinian state, but also as its centre. West Jerusalem will accordingly remain an integral part of Israel.
2. Jerusalem is a city of world historical importance. It needs preservation. There cannot be any more settlements. UNESCO needs to be involved to protect and maintain Jerusalem.
3. Jerusalem is a holy city and ought therefore to be an open city, but not united under Israeli sovereignty. There needs to be genuine freedom of access to holy sites for all religions. We are not interested in dividing Jerusalem. However, there are *de facto* invisible borders between the two sides of the city. Yet these borders are and should remain porous allowing for the free movement of all people and goods.
4. Jerusalem is the geographical centre of Palestine, the vital link between the north and south of the West Bank. Without going through Jerusalem, one

cannot travel from Nablus to Hebron. The cutting off of Jerusalem from its hinterland means not only that a fifth of the West Bank is lost, but that the territorial integrity of the Occupied Territories - or a future Palestinian state - is destroyed.

5. Jerusalem is a political city, full of national symbols. The Dome of the Rock is a symbol of everything that represents Palestine.
6. Finally, Jerusalem is a city of institutions. Jerusalem is the Palestinian window on the world. Following the June War, the Arab municipality of East Jerusalem was closed by force, while its infrastructure was annexed to the Israeli municipality. There remain key institutions such as tourist offices, intra-city transportation networks, land registration offices, medical centres and hospitals, as well as centres and organisations providing scientific, cultural and educational research, information and services.

The Palestinians must show the world their view of Jerusalem - they must speak clearly and convincingly. A strategy for advancing Palestinian needs in the transitional phase and final political settlement is necessary.

- the **first dimension** is to achieve unity on the ground and among the people in the city, and strengthen their presence to enable them to defend their rights and speak with one voice.

- the **second dimension** is to maintain, geographically and demographically, the linkage between Jerusalem and the rest of the West Bank and Gaza Strip. This can be done either by establishing new institutions or rehabilitating existing ones and to strengthen cooperation and coordination among them. It can also be achieved by providing the necessary tools to engage and involve Arab institutions in Jerusalem with ongoing projects in the West Bank and Gaza.

- the **third dimension** is to open dialogue with international fora, the Vatican and the Israelis. This dialogue should aim at enhancing the understanding of the complexity of the existing unresolved issues on Jerusalem. Such a dialogue would focus on developing new ideas for a better future for Jerusalem.

Currently, however, the PA hardly mention the question of Jerusalem, because they are involved in the details of the various ministries' work. There is no PA official or department responsible for Jerusalem. The ministerial committee on Jerusalem is concerned with functional duties only. No reports emerge from Chairman Arafat's talks with the Israelis on the subject. For example, when Arafat and Peres met in Morocco in February 1995, they discussed some aspects of the question. No records have been made available of what exactly was discussed. There is a problem of accountability here - Palestinians don't know what the leadership is discussing.

We ought to challenge the US Congress resolution to move the embassy to Jerusalem beyond slogans and condemnation. Since Jerusalem is our capital, a US embassy in Jerusalem, ought to be for the two peoples, two societies, two cultures, the embassy to both Israel and Palestine. The United States cannot deal with us in Ramallah or Gaza. A *de facto* relationship between the US and Palestine *in Jerusalem* will emerge.

Settlements

Since the Hebron massacre in 1994, the Israeli government has been "about" to evacuate Israeli settlers. We Palestinians did not negotiate well using that card. The Israeli government was discussing a timetable for evacuating settlers in Hebron and Elon Moreh, before abandoning the plan due to electoral concerns. And now, the question of settlers and settlements is not on the agenda. When Palestinians say that the settlements and the settlers are an obstacle to peace, this is not just a slogan. The settlements are a recipe for continued confrontation. As one of my colleagues said, settlers can shoot anytime, they are well-equipped and dangerous; they are an enemy within. How can we protect ourselves? Palestinians said that we will accept settlers to reside in coexistence under Palestinian law, like the Palestinians in Jerusalem. There was a major question: can the settlers reside peacefully or will they continue to be enemies within? This question is not valid anymore because we are no longer dealing with the option of coexistence. Settlers threaten Palestinian security and daily social life, and the randomness of settler violence adds to this sense of insecurity.

Refugees

The Palestinian refugee problem was created by two wars, 1948 and 1967. Following the 1948 War, the UN estimated that there were 726,000 refugees outside and 36,000 inside the armistice lines. After the 1967 war, over 300,000 Palestinians left the West Bank, almost half of them refugees for the second time. There are now 1,133,057 registered refugees inside Palestine, and 1,300,000 outside.

The structure of Palestinian society is such that the landlords, the political elite, the middle class, businessmen or professionals are not part of the refugee camps. The refugees do not come from major families. They want to be part of society, but society does not offer them much. The question of the refugees is postponed until the final status talks.

The various waves of Palestinian refugees: those from 1948, 1967, and those arriving in Jordan in 1982 and 1990, have maintained their Palestinian identity within their host societies. The right of return is fundamental, and refugees' rights cannot be bargained away as part of a package deal with other issues. Responsibility for the absorption of returning refugees lies with the PA.

Discussion

Participant: Israel asked the Palestinians in Jerusalem to apply for Israeli citizenship. What are the consequences of that?

Dr. Abdul Hadi: What is the mechanism available to mobilize, cooperate, and coordinate everyone in Jerusalem? There are 165,000-170,000 Palestinians and more than 200 institutions. All of this under one address. We are not working together. In Jerusalem, 14% of the land is left; 52% is confiscated; and 43% is gone. We are making concessions because we do not know how to negotiate.

Participant: Palestinian Jerusalemites face a serious housing crisis. What can be done?

Dr. Abdul Hadi: The plan by the Israeli municipality to give Palestinians over 75,000 housing units became 40,000, then 12,000, then 7,000 and now does not exist. Secondly, the Saudis donated \$30 million for a housing project in Jerusalem. Now this money has been diverted to the West Bank and Gaza. Thirdly, in Jerusalem, 14% of the land is left; 34% is expropriated; and 56% is 'green land', effectively expropriated. Where will we build? The Israeli aim is the expansion of Jewish settlements in East Jerusalem. We need such great and strong political institutions to focus on Jerusalem. We are everywhere but we are not in Jerusalem.

Participant: With the assassination of Rabin, there is an increasing gap between Likud and Labour. How can the Palestinians use this gap to our advantage?

Dr. Abdul Hadi: The divisions in Israeli society will widen. The killing did not eradicate this weakness in Israeli society. The Likud will recover. Palestinians should not interfere in internal Israeli politics. If we get involved, the Israelis will reunite.

Participant: What do you think of Peres' agenda?

Dr. Abdul Hadi: Peres comes from the Labour party which has advocated the Jordanian option since the 1930s. Labour party documents, such as the Allon Plan, are evidence for this; it meets the Jordanian plan for a United Arab Kingdom halfway. During the Intifada, Jordan was forced to announce a disengagement from the West Bank. After the Gulf War, Amman continued to tell the Palestinians that they were not interested in a confederation. Since the Israelis are divided between those who see a future Palestinian state and those advocating a Jordanian-Palestinian confederation, Clinton tried to encourage Hussein and Arafat to discuss confederation in Washington recently. Talks like this can take place, but the reality on the ground is that Arafat will be kept away from Amman by the weight of domestic issues. The same applies to Hussein, who is currently interested in the Eastern front: Iraq, the Gulf and so on. This leaves Peres with no alternative but to continue implementing the current agreements as they stand.

Participant: There have been many proposals from the Israelis about East Jerusalem. What have Palestinian researchers proposed? Have any concrete projects started?

Dr. Abdul Hadi: Amir Cheshin has written papers about sub-municipalities and neighbourhood councils divided along Arab and Jewish lines. Some Israelis are obsessed with the idea of an overall Israeli municipality and Arab neighborhood councils. The Palestinian position is that we cannot be divided into Muslims and Christians. Israel says that there is no problem with Christian holy sites, only with Muslims and Muslim holy sites. The question of the Dome of the Rock for the Israelis is simple: "the site is holy for us and holy for you, therefore we share it under Israeli supervision. If we allow you to pray in Dome of the Rock, how can we be sure you will not stop us from praying, like in Hebron."

The EU Member States, the Arab-Israeli Conflict and the Peace Process

Prepared by the Participants

AUSTRIA

by Samar Martha

Being a promoter of peace, Austria has always encouraged and participated in the peace dialogues that took place between Israel and Arabs. Dr. Bruno Kreisky, former Austrian Chancellor, played a significant role in influencing his government's position towards the Palestinian-Israeli conflict. Through his efforts, Austria was one of the first European countries to open an official diplomatic mission for the PLO in Austria in 1986. Moreover, Austria was one of the first European countries that extended an official invitation to Chairman Arafat. Austria generally believes in the Palestinian right of self-determination and in the necessity of establishing a Palestinian state.

Austrian assistance and financial aid to Palestine took place before the signing of the Oslo Agreement. Aid was channeled through UN agencies such as UNRWA, UNDP, UNICEF and through Palestinian NGOs. Moreover, Austria has participated in many of the UN peace operations on the Golan Heights.

After the signing of the Oslo Agreement, Austrian financial aid to the Palestinian Authority substantially increased. This bilateral aid which amounted \$3.19 million in 1994 was distributed among the various sectors as follows (in million US\$):

Physical infrastructure	0.05
Social infrastructure	2.75
Support to private enterprises	0.02
Cultural infrastructure	0.25
Technical assistance	0.12

In the same year Austria also contributed \$500,000 to UNRWA budget.

The most important projects which are financed by Austria are:

1. In the water working group, Austria offered the Palestinians assistance in setting up a regional water authority.
2. Economic Development: Austria elaborated and financed a feasibility study on connecting the electricity networks between Israel and Palestine.
3. Environment: Austria provided AS 6 million to finance the establishment of an environmental data bank for the Palestinian areas. It plans to draw up and

finance a feasibility study for the establishment of an air quality monitoring system for the Middle East.

4. Environmental Data Bank.

BELGIUM

by Maral Kaprielian

Alongside the political commitment to establishing and safeguarding peace and stability, the cornerstone of the EU's policy towards the Mediterranean and the Middle East regions is the provision of substantial support with the aim of encouraging the development of economies which can produce sustainable growth.

Today, the EU figures as the largest financial donor for the reconstruction of the Palestinian Territories. Belgium channels its aid to the Palestine through the EU. Projects supported by Belgium include fisheries and rural development schemes, together with commitments to the Gaza-Jericho Relief and Development Programme.

Commitments, 1994:	\$Million
Physical infrastructure	0.2
Social infrastructure	4.2
Police and institutional building	0.2
Total	4.6

Belgium has also committed BF 100 million towards an UNRWA scheme to construct and equip four elementary schools in the Gazan towns of Nusseirat, Khan Yunis, Shati Camp and Rafah. The project - scheduled for completion in 2 years - shows Belgium's commitment to improving educational standards in the region. The funds are channelled through UNRWA.

DENMARK

by Ayman Ayoubi

In December 1994, after the Oslo Agreement was signed, Denmark opened a representative office in Jericho, headed by Mr. Sven Bille Bjerregaard. This shows the Danish support of the Palestinian cause and their legitimate rights to have their own country. It is Denmark's understanding that good relationships between the Palestinians and the Israelis can be reached through negotiation.

In May 1994, Denmark allocated 250 million DKK (\$50 million) to different projects in Palestine. Until now, half of this money has been spent, including a road leading

to Allenby Bridge. Also, many Palestinian officials have had various training courses, for example one on police force-management. Denmark supports the Palestinian Broadcasting Company and the fisheries project in Gaza. In environmental management, Denmark helps by sending Danish experts, building environmental institutions and training officials.

FINLAND

by *Hania Bitar*

Since 1917, determined by geopolitical factors, Finland has had the tradition of neutrality. Neutrality for Finland was a political choice and eventually became a broadly applied method of its foreign policy. Finland has consistently favoured strengthening the capabilities of the UN and the CSCE to maintain international peace and security. Ever since Finland became a member of the UN in 1955, it has actively participated in the work of the organisation, its commissions, bodies and agencies, and the conferences it has arranged.

Finnish troops have served under the UN flag in the Middle East (Suez, Sinai, Golan, Lebanon). Finland has pledged markka 40 million since late 1993, mainly for multilateral initiatives. Disbursements include markka 1,5 million for the Johan Jorgen Holst Peace Fund; support in kind worth markka 270 000 for the Palestinian Police Force; markka 1 million for Red Cross activities; and markka 7 million to support UNRWA programmes in the region.

In September 1995, Palestinian President Yasser Arafat extended an invitation to the Finnish President Martti Ahtisaari to visit Palestine. President Ahtisaari accepted the invitation and said that it will be on the agenda for next year.

The Finnish government promised the same month to look into the possibility of supporting Palestinian health institutions, especially the Khan Yunis Centre for Rehabilitation, established by the Palestinian Red Cross. Dr. Fathi Arafat, brother of President Arafat, met in Helsinki with the Finnish Minister of Development and officials from the Finnish Ministry of Foreign Affairs, and briefed them on the latest developments in the peace process, stressing the need of the Palestinian health sector for aid. A Finnish NGO, with the cooperation of individual donors and medical companies, sent medical aid to the Palestinians and promised them that such aid will continue in the future.

FRANCE*by Lily Habash*

French policy in the Middle East falls into two categories: (1) the classical right (Gaullist) and (2) the socialist left.

These two political lines are reflected in the ambiguity of France's position towards the Arab-Israeli conflict throughout the century. The Fourth Republic had very close relations with Israel. France was the main source for Israeli armament and it helped Israel's nuclear programme. The construction of Dimona in the Negev was mainly supported by France. The Israeli-French alliance was at its peak with the conspiracy of the tripartite aggression on Egypt in 1956.

The Fourth Republic had common interests with the US in the region. The US was considered the best ally because of its hostility to Egypt, who supported the Algerian revolution and was considered the USSR's main agent in the region. Hence, France and the US shared hostility against any independence movement in Arab politics headed by Abdul Nasser in Egypt. Thus, Franco-Arab relations continued to deteriorate until De Gaulle came back to power in 1958 and the advent of the Fifth Republic.

There was a slow change in France's position towards the Arabs. De Gaulle was a great supporter of the founding of Israel, considering it a historical necessity. He then embarked on a gradual change in the French strategy in the area. De Gaulle discovered the importance of the southern part of the Mediterranean for the defence and security of Europe. In spite of the usual considerations during the Algerian war, this resulted in a shift from full support for Israel and the USA to a more independent French role.

But this change did not contradict France's traditional relationship with Israel, especially towards arms trade, until 1967, the turning point for a new French policy in the Arab region. This shift was clear in the French support for the Quadripartite negotiations during 1967.

France had a special influence on the general situation in the Middle East, using Mediterranean policy to protect and support its national interests in the region. This changed with successive French presidents during the Fifth Republic, according to their different interpretations of the world order and France's position within the EC.

During Giscard d'Estang's office, we can find the first expression in French foreign policy for the necessity of finding a solution to the Palestine question being the prerequisite for a peaceful and just solution. The PLO would participate in the negotiations. D'Estang's policy was clear in the reservations that France had towards

the Camp David Treaty in 1979 and later on in the Venice Declaration of the European Community in 1980.

This position was followed by the accession to power of Mitterand, a socialist, who had special relations with the Israeli Labour party. Mitterand changed the dimension of French foreign policy in general and specifically to the Arab region. He switched France's position towards Camp David, not believing in the participation of the PLO in the negotiations. This position changed following the massacres in Beirut in 1982.

In the theory of international relations there is the constant and the variable. States fluctuate in their behaviour. The rule of interest always reigns. France allied itself with the international community against the invasion of Kuwait while it had very close ties with Iraq.

This is an example to encourage the Arabs and the Palestinians to start adjusting circumstances to their benefit. For example, when France is a major European power it can push for Union support for the creation of the Palestinian state. It is crucial ultimately to retain a balance of influence in the region between the US and the EU.

GERMANY

*by Martin Kobler, Head of the German
Representative Office, Jericho*

There is no typical German position on the Arab-Israeli conflict but the general German attitude is derived from certain parameters:

1. Since the Venice Declaration (1980), Germany has adopted the general EU position as set out in the declaration.
2. Germany's position on the Middle East is not separable from its relationship to Israel, in turn historically determined by the holocaust and the subsequent policy of *Wiedergutmachung*.

With the 10 point-plan of 23 September 1993, German Foreign Minister Klaus Kinkel reoriented the German position towards the Arab-Israeli conflict. Among the 10 points were the following:

1. Upgrading of the relationship with the PLO. Chairman Arafat's visit to Germany in December 1993 took place following an official invitation and consisted of official talks. The PLO Representative Office in Bonn was renamed the "Directorate General".

2. Germany is ready for a dialogue with critics of the peace process. Germany has always opted for peace in the Middle East but is aware that the process has opponents who need to be convinced. Therefore, Germany has adopted a policy of strengthening the peace process through dialogue with opposing countries (such as Iran, Libya, Syria, etc.) in order to constructively back the ongoing efforts of those who search for peace.
3. Germany attends all donor conferences, underlining its economic commitment to the peace process in addition to her political commitment.
4. Germany is ready to put pressure on Arab countries in order to encourage them to back the peace process both economically and politically.
5. Germany took over the stewardship of trade within the framework of the Regional Economic Development Working Group (REDWG)
6. Germany is conducting an intensive dialogue with Syria.

With respect to the ongoing peace process, Germany's involvement includes the following:

- Economically, Germany backs mechanisms such as the Casablanca Summit as a tool to enhance peaceful relations in the region.
- On the multilateral track, Germany has joined as third partner in the Jordanian-Israeli Yarmouk water project, although this has led to criticism among the Palestinians who were not included in the project.
- Regarding security issues, Germany can contribute through its experience of confidence-building measures after World War II.
- Germany is fully committed to the EU Aid Programme.
- Germany has recently announced that from 1996 on, Israel will no longer be considered a developing country. Consequently, German financial aid (140 million DM annually) which used to go to Israel only will be re-directed into regional development projects in such fields as water, transport, and infrastructure development.

GREECE

by Sagida Abu Yusef

Greece was one of the first European countries to support the peace process, hoping for a peaceful solution to the Arab-Israeli conflict through an international conference on the Middle East. Greece was always in favour of a just solution to the Palestinian cause. Consecutive Greek governments maintained good relations with the PLO throughout the years. Greece voted against the UN partition resolution in 1949, and strongly supported the legitimate rights of the Palestinian people.

Following the Palestinian Declaration of Independence in 1988, Greece officially recognised the Palestinian state, and recently recognised the Palestinian passport as an official travel document.

Greek willingness to help Palestinians build their own state became stronger after the Oslo Agreement and establishment of the PNA. Greece adhered to EU policies aiming at providing the PNA and Palestinian NGOs with financial aid and technical assistance. Examples of Greek aid are the monitors for the Palestinian elections, a soft loan of \$15 million to be spent on military equipment, medical supplies and founding women's educational centres.

Economic aspects

Greece is one of the eight countries participating in Med-Enterprise to Palestine, 1996. Greece approves peace which guarantees social justice and seeks to encourage economic development through realising and identifying terms and sectors for improving economic development, especially:

1. Placing the Middle East economy in its proper position within the world economy.
2. Development of the private sector.
3. Approving low interest loans for the PNA.
4. Ensuring free flow of capital.

IRELAND

by Rula Dajani

It is impossible to discuss the Irish position in isolation from the EU's position since Ireland is very well integrated in the EU's policies: Ireland is committed to establishing and safeguarding peace and stability in the Middle East.

Starting with the Venice Declaration in 1980 and followed by the European Council Brussels, Madrid and Luxembourg Declarations in 1987, 1989 and 1990 respectively, the European Union member states have consistently supported the UN Security Council Resolutions 242 and 338; calling for the end of illegal occupation and Palestinian self-determination; and the right to live in peace and security.

The EU is keen on developing a political compromise and encouraging economic growth in the Middle East, and particularly to ensure a better economic life and a sound infrastructure in the West Bank and the Gaza Strip, the EC marked its contribution by providing 500 million ECU for the years between 1995-98 both in grant aid and long-term lending.

Irish commitments alone, in 1994, amounted to a total of \$1 million in the form of social infrastructure made up of \$450,000 towards UNRWA's core and education programmes and \$542,000 towards health and education programmes¹³. This total figure will amount to \$2 million annually.

Although not much weight is conveyed by Irish foreign policy-making, because of Anglo-Irish history, the Irish contribution to the Middle East has been strengthened in recent years and is currently one of the major Irish foreign policy issues. Ireland, which has a more favourable policy to the Palestinians because "...they have a special affinity to the region... they too had to fight off colonialism"¹⁴,

- has recognized the right to Palestinian self determination.
- was the last European country that allowed the opening of an Israeli Embassy after the signing of the Oslo Agreement in September 1993;
- Allowed the opening of a Palestinian Commission in Dublin (due to the lack funds this Commission is not yet open);
- Will increase its annual grant to the Palestinians to US\$2 million, earmarked for health, education and electricity;
- Will contribute 12 Irish members to the election monitoring body;
- Recognizes the Palestinian right to Jerusalem.
- Irish troops have taken part in UN peace-keeping missions in the region.¹⁵

It is also noteworthy that the Irish Deputy Foreign Minister held a firm stand against Israeli pressures and did not give in when the Israeli government asked him to cancel his meeting with Faisal Hussein at Orient House in Jerusalem.

ITALY

by Hitaf Barakat

As part of the international community and as a member of the European Union that is eager to play a concrete role to secure peace in the Middle East, Italy has always been in favour, with active neutrality, of the Palestinian stand. One of the cornerstones of Italian policy towards its neighbours in the Middle East is the provision of substantial financial aid to develop the economies of the Arab World.

¹³ The European Union and the Palestinians.

¹⁴ D'Alancon, Françoise: "The EC Looks to a New Middle East", *Journal of Palestine Studies* XXIII, No. 2. Winter 1992 p. 42.

¹⁵ Allan, Yousef: General Commissioner, phone interview, October 26, 1995.

According to the Italian Vice Consul in Jerusalem, Mr. Francisco Di Netto, Italy has been supportive of the Arab world due to the fact that both share the Mediterranean Sea and due to some similarity in traditions and values. Italy recognized Palestinian rights since the early days of their struggle against Israeli occupation, but this recognition was only formally presented after Venice Declaration in 1980. Italy has recognized the Israeli security issue, and the right of Israel to exist within secure borders. The Italian position is based on UN resolutions 242 and 338, believing that these resolutions should be updated to incorporate the existing developments.

After the Madrid conference for peace in the Middle East in October 1991, and the signing of the Declaration of Principles in September 1993, the EU declared a release of ECU 35 million and pledged an additional ECU 500 million to Palestine over the next five years.

Italy committed \$25 million towards development projects in the Palestinian Territories for 1994/95 to support a diverse range of programmes, encouraging education, improving health care, social welfare, and creating infrastructure.

The development of the sewage system was among the Italian priorities for their development plan in the Palestinian territories, as demonstrated by projects in the towns of Bethlehem, Beit Sahour and Beit Jala. Italy committed a total of \$6.4 million to improve sanitation, social and living conditions, and \$1.3 million for the construction of two schools at the Shati refugee camp in the Gaza Strip. Italy is also involved in a project to create a support infrastructure including women's centre and a mental health programme in Gaza.

Italy's commitments for 1994:

- Social infrastructure	\$12.0 million
- Physical infrastructure	\$ 5.3 million
Total	\$17.3 million

The Italian government also provides the Palestinians with financial aid through the UNDP, UNRWA or directly to the Palestinian Authority. As part of the EU, Italy is participating in monitoring the Palestinian elections. Four Italians from the government, and another two from the European Commission have already arrived in Palestine.

THE NETHERLANDS

by Anwar al-Masri

The Netherlands and the Arab-Israeli conflict

Before 1979, the Dutch position towards the Palestinians has been described as antagonistic due to the lack of information or acquaintance of the Palestinian problem from one side and by the overriding support for the Jewish people before 1979.

The Netherlands and the Arab-Israeli Peace Process

The Dutch government's position in regard to the peace process is grounded on two principles:

- Self-determination for the Palestinian people and,
- Recognition of the existence of the state of Israel behind secure boundaries.

Departing from the "land for peace" formula and from UN Security Council Resolutions 242/338, the Netherlands has welcomed the Oslo Declaration of Principles. Moreover, the Netherlands is ready to give its full moral and economic support for a lasting and durable peace settlement in the region.

PORTUGAL

by Bashar Jaloudi

Portugal has very much a typical European point of view regarding the Arab-Israeli peace process, supporting Madrid and Oslo, and is prepared to send a group of Portuguese observers who will add to the EU effort in helping the forthcoming Palestinian elections to be a success for justice and democracy.

SPAIN

by Adli Da'na

Above all, it should be borne in mind that Israel's very existence came out of a period where guilt seemed to be the major policy motivation, a direct result of German genocide of Jews during the World War II, combined with European apathy and antagonism during that genocide. Without these forces determining policies immediately after the war, more European countries would have opened their borders to the refugees and undermined Zionist attempts to use the Holocaust to realise their Jewish vision for Palestine.

The Cold War

On a wider scale, the Arab-Israeli conflict was never a classic Cold War conflict. It was a national conflict, a confrontation emerging from two conflicting claims to the same piece of land. But since the mid 1950s with the alliance between Nasserism and the Soviet Union the addition of a Cold War dimension to the regional Arab-Israeli conflict catapulted it into a global super power confrontation and gave it completely new characteristics. The demise of the Soviet Union has now once again deglobalised the conflict and re-regionalised it.

The Mediterranean region is at the same time both a constituent part and a neighbour of Europe. Not only geographically, but also in economic and security policy terms, the Mediterranean region lies in Western Europe's immediate vicinity. Trade routes that are of central importance to Europe criss-cross the Mediterranean. Energy sources essential to European industry are located in the region. The Mediterranean countries that are not members of the EU constitute the third largest market of the community. Demographic developments in the South affect the social and cultural stability of the region. The diverse economic, social, political and military conflicts in the region have a direct effect on Europe. Finally, the Europeans have already been affected economically and socially by the high migration potential of the region and by the four million people from neighbouring countries already living in the EC.

Spain and the Middle East

Taking into consideration the short period and the limited experience of Spain in international politics due to its long period of isolation, Spanish contribution to the Middle East conflict has been humble but practical. Its contribution and involvement in the conflict started on the 30th of October 1991 when Madrid was chosen to host the first face to face negotiations between the Arabs and Israelis. Spain has supported the peace process financially and politically. It was the first European country that approved an urgent programme of continuous economic support to the PNA with an initial budget of 1,369 million Pesetas¹⁶ to help the Palestinians build their infrastructure, mainly in health, telecommunications, environment, construction and water treatment. So far, Spain has helped to improve the health situation in three hospitals in Gaza and is currently working on projects in the fields of the environment and telecommunications¹⁷. During his last visit to the PNA areas in August 1995, Spanish Prime Minister Felipe Gonzalez promised to continue supporting the peace process and the PNA through all possible means.

¹⁶ For the fiscal year 1994.

¹⁷ With a new budget of 2500 million Pesetas for the year 1995.

After the signing of the DOP and the implementation of the Gaza-Jericho first agreement, Spain gave the representatives of the PLO in Madrid diplomatic status, and was the first European country whose Head of State officially visited the Middle East as a demonstration of its support for the peace process. In an official ceremony in Spain on the 24th November 1994, Arafat and Rabin both received the Prince Astorius Prize for Peace, which also demonstrated Spanish support for the peace settlement. Spain now heads the EU for six months until the end of 1995. In the past few months Spain has accelerated its diplomatic work in all dimensions with the Middle East as one of their top priorities. Mr. Xavier Solana, Spanish foreign minister and the current head of the EU, has just finished a fruitful visit to the Middle East, announcing that the EU will give the PNA soft loans of \$300 million to be used in building the infrastructure of the Palestinian State, in addition to confirming the involvement of the EU in the coming PNA elections.

SWEDEN

by Allam Ashhab

Sweden has maintained good relations with both sides, and was not seen by the Israelis as being pro-PLO and the Arab countries. Therefore Sweden effectively used its neutrality in the interests of peace.

The principles guiding Swedish policy in the Middle East are based on UN resolutions from the partition plan of 1947, the creation of Israel, to Resolutions 242 and 338. Sweden has supported a two-state solution for the Israeli-Arab conflict, based on secure boundaries for Israel and the total recognition of Palestinian rights, including the right of self-determination and an independent state in the Occupied Territories. Sweden believes that the only way to solve the Middle East conflict would be through direct negotiations between the PLO (the legitimate representative of the Palestinians) and the Israeli government and supported therefore, the idea of holding an international Middle East peace conference based on the UN resolutions.

The direct involvement of Sweden in this conflict has several aspects, particularly human rights. Sweden always condemned the Israeli violation of Palestinian human rights and the illegal annexation of land including Israeli settlement policy. Secondly, from the very beginning Sweden participated in peace-keeping forces in the Middle East. The opening of the first US-PLO dialogue in Tunis in December 1988 was through Swedish diplomacy. Sweden has also contributed in the social and economic development in the Middle East and the Occupied Territories and financially supports the NGOs, UNRWA and the PNA.

The UNITED KINGDOM*by In'am Zaqout***Historical background to British involvement in the Middle East**

As is well known, the UK has been interested in the region since the discovery of oil in the Gulf area. They chose Palestine and Egypt as a strategic point to protect their interests in the Gulf. During the period 1948-1967, the British supported Israel. Following 1967, as Israel moved closer to the US, the UK began to support the Palestinians through NGOs, and donations through the UN. The UK supports a settlement of the conflict in accordance with UN Security Council Resolutions 242 and 338, and the principles of land for peace. The UK has participated in numerous UN peacekeeping operations in the region.

The UK and the Palestinians

Since the Oslo agreement, the UK government has funded many schemes to support the Palestinian National Authority. The British Consulate-General in Jerusalem has launched an aid fund worth \$800 000 for small development projects in the Occupied Territories, to finance projects worth up to \$65 000 per annum. Projects can be spread over a number of years and must be consistent with the government's aid programme objectives, namely, productive capacity, good government, poverty reduction, and human development. Each project must also meet the criteria of soundness used by the UK Overseas Development Administration. Examples of projects under consideration at present are:

1. An institutional link between the Northern Ireland Housing Executive and the Palestinian Housing council, including secondment of staff to strengthen the Palestinian body's administrative and planning capacity.
2. Study of the infrastructure needs of the construction industry in the Occupied Territories with particular reference to building materials and the potential for joint ventures with European manufacturers.
3. Training and equipment packages for municipalities to assist them in delivering local services and development projects.
4. The BBC World Service assists in training Palestine Broadcasting Commission staff.

When John Major visited Gaza in March 1995, he pledged to help the Palestinians build their country:

"Let me make it clear that we stand four square behind the peace process. Insofar as we are able to do, we are taking practical action to help. We have pledged something over \$120 million to the Palestinian authority. Some of it comes via our contribution to the European Union, some from the UNRWA, and some bilaterally."

Bilateral Assistance

There has been a British aid programme to the Palestinians for many years. At the time of major changes for the Palestinian people, Britain is working in partnership with the Palestinian authorities, international organisations, other donors and non governmental organisations to improve the quality of life in the West Bank and Gaza. The bilateral aid programme is currently GBP 82 million. Priority sectors for British aid during 1995-6 are good government, finance and private enterprise, water, health, police and education.

Areas covered by the British-Palestinian partnership scheme are:

1. Rehabilitation of prisoners
2. Training for women
3. Tourism in Jericho

David Haines, Political Counsellor, British Consulate-General, Jerusalem added:

The United Kingdom also cannot separate its history in the Middle East from the current situation. Historically, the Balfour Declaration and the subsequent mandatory period were a watershed in British relations with the region.

As of today, the UK is committed to the EU's policy towards the Middle East and has good relationships with both Israel and the PA.

Discussion

A participant asked whether the EU's support for the Palestinians is dependent on the outcome of the elections. In response, it was stressed that due to the presence of hundreds of international observers monitoring the elections, the results will be fully accepted by the EU and will not harm EU-Palestinian relations.

Another issue discussed was the fact that since many Palestinians have dual nationality (one of which often being European), whether those concerned could be candidates for the elections, as well as how European states would react if, for example, a Palestinian holding a EU passport was elected to the Palestinian Council. The EU has no official stand on such a situation.

Mr. Kobler was asked to assess the current situation in Germany regarding the increase of racism. He responded that he does not consider it a threat to the German government at all and that this will be a temporary phenomenon.

Another participant asked Mr. Haines why the British are so reluctant regarding EMU and if it was due to the problem of giving up Sterling as a national symbol. Mr. Haines replied that the main reason was that in Britain, people find it difficult to envisage legislation on something (in this case the EMU) which is still in question.

In relation to the mention of putting pressure on Arab states opposed to the peace process, one participant asked whether the EU or member states also put pressure on Israel for creating obstacles to peace. Mr. Kobler said that on a bilateral level, for example when European ministers visit the country, they often signal their displeasure to their Israeli counterparts. On EU level, however, no such measures are taken yet.

Other topics discussed included EU aid and regional development projects and the issue of the Palestinian police force.

The European Union and the Peace Process since Madrid

by Bettina Muscheidt, EU Representative Office, Jerusalem

Prior to the Madrid conference, the European Union's involvement in the region was typical of the relationships it had with other countries in the Mediterranean region. There were cooperation agreements with the various countries, with renewable annexed protocols taking care of the practical arrangements of cooperation.

From an early stage, the Union also expressed its political views in a series of declarations issued by the Council of Ministers. These demonstrated the Union's awareness of the core issues, and that the community had a common opinion on these matters. These declarations, and the EU's subsequent practical involvement, show that the ground for our involvement in the peace process was prepared before the Madrid Conference set a different pace for the development of peace in the region.

A milestone in this regard was the Venice Declaration of the EU's Council of Ministers in 1980. The declaration supported peace on a basis of UN Security Council Resolutions 242 and 338, the principle of land for peace and security for all states in the region. The declaration saw the Palestine question as one of national rights, advocated Palestinian self-determination, and pointed out the necessity of involving the PLO in negotiations.

The EU has since built its bilateral relations with its partners in the region on this foundation. Development cooperation was implemented along these lines, and, most importantly, a political dialogue established with those parties that were later to enter the peace process.

By the mid 1980s the EU decided to channel development aid to the Palestinians on the same basis as other *states* in the region. This was a unique attitude to the Palestinians, and totally independent of developments in the peace process. The first such aid was for ECU 3 million. Within three years, this had risen five-fold. After the Gulf War, emergency aid of ECU 50 million was sent to the OPT.

Meanwhile, the only country whose relations with the EU are directly tied to progress in the peace process was Israel. For example, the European Parliament insisted on delaying ratification of the EU-Israel trade protocol until the Palestinians could trade directly with the Union. (In the event, the Israelis managed to sabotage this provision).

At this point we can characterise European policy as one of active and continuous support for the peace process, and recognition of the centrality of the Palestine question to a resolution of the conflict. Madrid in this respect represented no major change of policy, rather giving existing policy a more international framework.

Following the Oslo agreement, the EU achieved something which it has aimed for since its onset of its involvement in the region: the full involvement of the Palestinians in the process, through their political representative, the PLO, something which had been fudged at the Madrid Conference

After Madrid

The Madrid Conference was innovative in creating a formal structure of bi- and multilateral tracks. The EC participated in the bilateral track, but had much more influence in the multilateral, where it promoted regional cooperation, seeing itself as a model for the Middle East to emulate. It was therefore logical that at the first multilateral meeting in Moscow in 1992, the EC took care of the Regional Economic Development Group (REDWG). At the same time, the EC had a very active role in other working groups. In 1992, the multilateral track was believed to have an important impact in facilitating the bilateral negotiations, in furthering regional relationships on issues such as water, economics, security, the environment, and refugees. The bilateral negotiations had their own impetus, however, and the signing of Oslo I had little to do with the efforts of the international community.

In practical terms, the multilateral track has not delivered much, despite exceptions such as funding for the Aqaba project. There are various reasons for the slow process:

1. The absence of Syria and Lebanon.
2. The need to wait for progress in the bilateral talks.
3. The need for feasibility studies to precede financial commitments.

The Future

There continues to be an EU political position expressed in the form of statements and declarations whenever the Council of Ministers sees fit. We can predict a continued upgrading of Palestinian-EU bilateral relations, regularised post-Oslo by the establishment of the PNA. Previously, aid was channelled through Palestinian NGOs, but with Oslo, much larger projects than NGOs could handle were possible, now performed by PNA ministries. Of course, setting up and running the PNA itself was helped by EU aid.

Palestinians may have to wait for formal diplomatic representation, though this is close, but in the meantime, there is scope for establishing lobbies in Brussels and across the Union. The Palestinian elections will make a crucial difference in dealings with foreign powers. There is a need for training for PNA officials in professional and technical capacities, in areas such as fisheries and telecommunications where negotiations must be made and decisions taken. The EU is active in this area, and intends to continue being so.

A major future issue will be how the EU balances conflicting claims and needs from its southern and eastern neighbours. The EU is likely to strive for equality of treatment, and go ahead with plans for a Mediterranean free trade area. The Barcelona conference, at which the Palestinians will be present as full partners, will set the framework for this.

The Institutions of the Union: Council, Commission and Parliament *by Fernard Clement, EU Representative Office, Jerusalem*

The EU is unique among other international organisations by virtue of its institutional structure. The Union is more than an intergovernmental organisation, having its own legal status and powers. EU member states, in accepting the Treaties of Rome and Maastricht have agreed to relinquish a measure of sovereignty to the supranational institutions of the Union. However, the Union is not a true federation in which national governments are subordinate.

The main institutions of the Union, charged with implementing the Treaties of Paris (which established the European Coal and Steel Community in 1952), Rome and

Maastricht, are the European Commission, the Council and the Parliament. In addition, there are the Court of Justice and Court of Auditors. The three communities (ECSC, European Economic Community and Euratom) initially had separate councils and commissions, but the institutions were merged in 1967. The enlargement and development of the Union has affected the composition of the Union institutions but not their basic structure. The Single European Act of 1985 and the Maastricht Treaty of 1992 changed the Union's institutional balance, mainly in favour of Parliament and the Court of Auditors.

1. The Commission

The Commission has the broadest range of tasks of the Union institutions, serving as the guardian of the Treaties, the executive arm of the EU, initiator of policy and representative of EU interests to the Council. The Commission also represents the EU in international fora and negotiations. It consists of 20 members, appointed by 'common accord' of the member states for a term of five years. France, Germany Italy, Spain and the UK each appoint two commissioners, the remaining members one. Although nominated by their governments, commissioners must act in the interests of the EU, and do not receive instructions from their national governments. The Commission's administrative staff is based mainly in Brussels, consisting of approximately 17 000 members, organised into 23 Directorates General. Around 15% of the staff is involved in translation and interpretation work.

Functions of the Commission

1. As guardian of the Union Treaties, the Commission sees that they are correctly applied, and has the power to investigate alleged breaches of the Treaty and impose fines on individuals and companies where necessary. The Commission can also bring member states before the Court of Justice in cases of breaches of the Treaties. The creation of the single market greatly increased the work of the Commission in this area, as harmonisation of regulations had to be enforced.
2. Right of proposal of policies to the Council for the development of EU policy in the spheres of agriculture, industry, the internal market, the environment, social and regional problems, EMU etc.
3. The Commission acts as executive, implementing policies on the basis of Council decisions or Treaty provisions. The Single European Act conferred greater powers to the Commission in implementing Council decisions, so that the conferring of executive powers on the Commission is now the rule.
4. The Commission also has the function of managing the budget and Community Funds, such as the European Social Fund, the European Regional Development Fund, the Cohesion Fund, the European Development Fund
5. The Commission initiates Union policy and represents the interests of the EU vis-a-vis the member states. European Laws, binding on all member states are



PASSIA Seminar on The European Union



Participants and Lecturers



left to right: Mr. Matthias Burchardt, Ms. Bettina Muscheidt, Mr. Fernand Clement, EU Representative Office to the Occupied Territories, Jerusalem.



left to right: Mr. Michael Bahr, EU Representative Office; Dr. Mahdi Abdul Hadi, Head of PASSIA; Dr. Rosemary Hollis, Middle East Programme, Chatham House.



Lectures and Workshops on International Negotiations: Dr. Paul W. Meerts, Clingendael Institute.

Field Trip to Europe



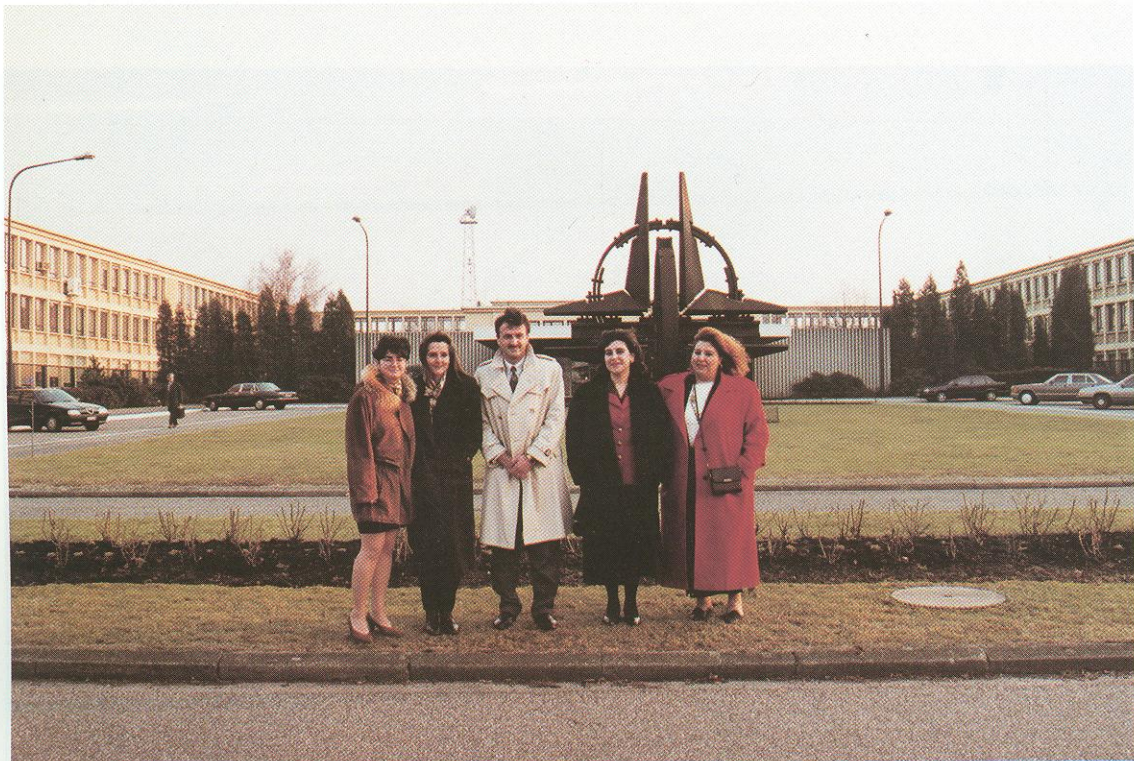
The European Parliament, Brussels.



The European Council: Participants with Mr. Peter Carter, Near & Middle East, CFSP Unit.



NATO Headquarters, Brussels.



formulated by the Commission, examples being the body of laws on agriculture promulgated during the 1960s. The Commission virtually has a monopoly on the drafting of legislation and a duty to ensure that it is objective and in the interests of the Union as a whole.

2. The Council of the European Union

The Council is the main decision making body of the Union, made up of 15 ministers, one from each member state. Ministers attend relevant sessions of the Council, such as foreign affairs, agriculture, employment, etc. The Council is assisted by the Committee of Permanent Representatives (Coperep), a committee of civil servants from the relevant member state ministries, and a General Secretariat.

The Council is in effect the Union's legislature, enacting Union legislation in the form of regulations, directives and decisions, and is responsible for coordinating member states' economic policies. Since the Maastricht Treaty and the Single European Act, however, some of these functions are shared with the European Parliament. The Council and Parliament also have dual control over approval of the Union budget, which is prepared by the Commission.

Council decisions on fundamental matters, such as the enlargement of the Union, or amendments to the Union Treaties, must be taken unanimously. Most decisions, however, are taken by qualified majority, requiring 62 votes out of a total of 87. Votes are weighted according to the size of the member states:

France, Germany, Italy, the UK (each)	10 votes (each)
Spain	8 votes
Belgium, Greece, the Netherlands, Portugal	5 votes (each)
Austria and Sweden	4 votes (each)
Denmark, Finland, Ireland	3 votes (each)
Luxembourg	2 votes
Total	87 votes

Majority voting makes it possible for a coalition to outvote large member states who would be otherwise impervious to political pressure, thus enhancing the equality of member states within the Union structure. The importance of the majority rule, however, has been historically reduced by the Luxembourg compromise of 1966, by which each member could declare an issue to be one of vital importance, to be settled unanimously, and thereby effectively acquire a veto. The Single European Act of 1987 did much to resolve this problem, by widening the areas to be settled by qualified majority voting.

The Council has the function of reconciling the interests of the member states with those of the Union as a whole. Member states' interests are given priority in the council, but members must also take into account the objectives and interests of the Union. The Council is a Union institution, not an intergovernmental conference.

The European Council is the twice-yearly meeting of the Heads of Government of the member states of the Union, including the President of the Commission. Such summit meetings have been held since 1974 and were regularised by the Single European Act, providing a forum for leaders to discuss the issues facing the Union, launch policy initiatives and settle disputes unresolved at ministerial level. The European Council is also responsible for the EU's international policy through the Common Foreign and Security Policy (CFSP).

3. The European Parliament

The Treaty of Rome established a European Assembly to act as the Community's watchdog, with limited legislative functions. From the earliest days, however, the body took the name of European Parliament, being made up initially of appointees from national parliaments. The first direct elections for the European Parliament were held in June 1979. The Parliament currently has 626 members:

<u>Country</u>	<u>Seats</u>
Germany	99
France, Italy, UK (each)	87
Spain	64
the Netherlands	31
Belgium, Greece, Portugal (each)	25
Sweden	22
Austria	21
Denmark, Finland (each)	16
Ireland	15
Luxembourg	6

Members of the European Parliament take their seats as members of pan-Union political groupings, not as delegations from members states. There are ten such groups in the Parliament, the largest being the Socialists. Parliament is presided over by a President, assisted by 12 Vice-Presidents. Plenary sessions of Parliament meet in Strasbourg for one week every month. Committees are held in Brussels and the Secretariat is in Luxembourg.

Initially envisaged as a consultative role in the Treaty of Rome, Parliament now shares legislative responsibilities with the Council, with a (junior) role in the drafting of directives and regulations, and the right to propose amendments and give opinions

on Commission proposals. The Single European Act increased the Parliament's legislative responsibility, expanding the number of policy areas in which Parliament has a say, and establishing the 'cooperation procedure', by which proposals receive two readings each in the Parliaments and the Council of Ministers, with Parliament having the right to propose amendments to the common position of the Council with regard to a Commission proposal. The Council may ignore these proposals only with a unanimous decision.

The Maastricht Treaty continued this process with the extension of a co-decision role with the Council extended to specific areas regarding the single market. Parliament may now vote to reject Council positions, with an absolute majority of MEPs. The Parliament has responsibility for non-compulsory expenditure. Since the Single European Act, Parliament has a right of veto over enlargement of the Union and Treaties of association. For most matters, however, real decision making power rests with the Council.

The Parliament has the final say in approving the EU budget, and can reject it. This has occurred twice, in which case the whole budgetary procedure has to begin again. The Parliament also has a watchdog function, monitoring implementation of common policies, day to day administration of these policies, and questioning the Commission, Council and Foreign Minister. The Commission is responsible only to the Parliament, which can dismiss the former with a vote of censure supported by two-third majority.

4. The Relationship between the Council, Commission and Parliament

The Commission, with its right to initiate policy and place it before the Council for approval, therefore has the decisive role in Union policy making. Only in rare cases can the Council proceed without a proposal from the Commission. Without the Commission submitting proposals, the Council, and the Union, would be paralysed.

While the Single European Act and the Maastricht Treaty gave enhanced legislative powers to Parliament, the latter's involvement in legislation still comes at the end of the process. The key stage in the legislative process is the drawing up of a common position between the Commission and the Council to present to Parliament.

A legislative proposal is placed before the Council, whose ministers put their national positions, while the Commission seeks to uphold the interests of the Union as a whole. The Commission's position is strengthened in the dialogue by the fact that Council deliberations are based on a proposal drawn up by the Commission itself. Under the Maastricht Treaty, the Council can only amend a Commission proposal by unanimous decision. In contrast, an *in toto* acceptance of the proposal can be made by majority vote. The Commission is centrally placed in the process, and can act as a mediator in the Council to reconcile government positions.

The Commission also has a central role in the finances of the Union, drawing up the budget, which they is jointly assessed by the Parliament and the Council. In the sphere of compulsory expenditure, mostly agricultural, the Council has the final say. In non-compulsory matters, Parliament has the right to modify expenditure proposals.

Conclusion

The three major institutions of the EU cannot therefore be seen as the direct equivalents of the those existing at national level. There is considerable blurring of the distinction between the various powers, with, for example, the Commission exercising legislative, executive and some judicial powers. The Parliament, the only institution directly chosen by the citizenry of Europe, is very much the junior partner in the relationship, with the right to initiate policy and EU legislation remaining with the Council and Commission. Despite advances following the Single European Act and the Maastricht Treaty, this 'democratic deficit' is a major issue facing the Union.

The Institutions of the Union: Internal Relations.

Case Study: European Union Aid to the Palestinians

by Michael Burchardt, EU Representative Office, Jerusalem

Mr. Burchardt explained the various forms of EU-aid to the Palestinians: During the 1970s, most of the aid was channelled through UNRWA. This changed in 1980 with the Venice Declaration, signifying a change in the EU's perception of the conflict. Palestinians were no longer seen just as refugees but as a people. As a result of this declaration, the Commission started giving money to NGOs as well as UNRWA. Realising the need for more, the Council of Ministers requested the Commission to set up a specific 'budget line' for aid to the Palestinians. The following five forms of channeling financial aid can be distinguished:

1. Aid to UNRWA

An EU-UNRWA convention committed the Union to transfer funds into regular UNRWA programmes/work for three years. In both 1994 and 1995, ECU 32 million of EU funds was disbursed from Vienna, with food aid representing another 12 million ECU. 38% of the UNRWA budget goes to the OPT, and EU contributions are channelled accordingly.

2. NGO Co-financing Scheme

The EU can support a project funding up to 50% of the budget (formerly 70%), providing a European NGO is involved. ECU 19 million was allocated in this way between 1979 and 1995.

3. Direct Aid

This now stands at ECU 32 million for 1995. A total of 312 million ECU has been given since 1987.

4. Med-networks

A notable example is Med-media and the related 'peace projects' such as Peace-media. Such projects total ECU 50 million to date.

5. Loans from European Development Bank

ECU 250 million has been set aside but has yet to be allocated. EU aid to the Palestinians since 1979 totals ECU 593 million (\$783 million), the largest *per capita* aid programme ever undertaken by the EU (see tables for details). As of 1991, the EU was funding 300 on-going projects ranging from \$10,000 to \$15 million, all requiring financial monitoring. A temporary large rise in budget followed the Gulf War. A reduction from 1994 signalled the attainment of the limit in personnel for monitoring allocations, with too many small projects taking a disproportionate amount of time. Therefore, the EU currently concentrates on fewer, bigger projects. Most projects are managed by the EU Representative Office in Palestine although some NGO projects are handled directly from Brussels.

The Washington Donors Conference, September 1993

Pledges of intent from all donors totalled \$2.2 billion, as yet unmatched by actual projects. The EU pledged \$500 million in loans and grants. Other donors' pledges included old money as yet unallocated. Much confusion about the actual amount and terms pledged and for what projects was caused by certain donors envisaging loans in some years and grants in others. This was followed by a search for projects and accountability. The smallest amount was pledged was for PA running costs.

The experience of the Washington Conference demonstrates the need to distinguish between pledges and actual spending and to be aware of the time lags involved. Further time lags are caused by feasibility studies for projects, infrastructure construction and provision of training to run new facilities.

With the Oslo Agreement, the EU changed emphasis from funding NGOs (formerly a substitute for an administration) to funding the PA. A certain amount of rivalry results from this competition for same funds between established NGOs and the PA.

Mr. Matthias Burchardt then lectured about the procedures a Palestinian Aid Programme, which was established in 1987 as a regular direct aid programme and which is implemented by the European Commission Technical Assistance Office (ECTAO) in Jerusalem, has to go through before being approved or decided upon:

I. Budget

The overall budget of the institutions of the EU has six sections, one each for the European Parliament, the Council of Ministers, the European Commission, the Court of Justice, the Court of Auditors and Economic and Social Committee (including the Committee of the Regions).

The Commission's section of the budget (section III), which represents 99% of all expenditure, is divided: Part A is devoted to staff and administrative expenditure, while Part B contains expenditure on operation. Part B is divided into subsections, each of which is then subdivided into titles, chapters, articles and items. B 7 stands for cooperation with developing countries and other third countries. The budget line out of which the aid programme for the Occupied Territories is financed is B 7 - 711, entitled: Support to the Peace Process between Israel and the Occupied Territories.

The timetable for the various stages of the budget procedure (presentation and adoption of the overall annual budget) is specified in Article 203 of the Treaty. However, since the proposed timetable has proven unrealistic, the institutions involved have agreed to a more practical approach allowing the Parliament and Council more time for examination. According to this, each year the institutions prepare estimates of their revenue and expenditure for the coming year and send them to the Commission. The Commission consolidates all these estimates in a preliminary draft budget, which it places before the Council in mid-June. The Council discusses it internally and with the other institutions concerned, chiefly the Commission.

In July, the Council establishes the draft budget and forwards it to Parliament. At the end of October, when the draft has been debated in Parliament it is returned to the Council accompanied by amendments and proposals for modifications. In mid-November the Council considers the amendments and modifications proposed by Parliament. At this stage, the volume of compulsory expenditure may be considered final. After a final debate, Parliament adopts the budget in mid-December. Parliament has the last say on non-compulsory expenditure and may overrule the Council's proposals by a qualified majority (Art. 203). The Parliament, however, may not exceed the maximum rate of increase set by the Commission. The Commission then implements the budget as approved.

II. Legal Base

The legal base for financial and technical cooperation with the Occupied Territories is embodied in the Council Regulation of July 1994. This regulation defines the rules, procedures and goals governing this aid programme.

This case study discusses the 1995 programme for which ECU 52 million have been made available. This constitutes an increase of ECU 2 million in relation to the

original pledge of Autumn 1993. At the pledging conference in Washington following the Oslo Accord, the Union pledged to grant ECU 250 million during the period of 1994 until 1998, that is ECU 50 million per annum.

In the case of the aid programme to the Occupied Territories (OT), the funds approved have to be committed for specific projects. In order to achieve this, a pre-programming exercise has to be conducted, which runs parallel to the over all budget approval exercise.

III. Pre-Programming

Normally Financial Protocols with individual Mediterranean partner countries provide the framework for planning aid and economic cooperation. Individual project ideas emerge from dialogue with these partners.

However, in the case of the OT, these normal procedures do not yet apply, and therefore the programming exercise is conducted alongside these normal procedures.

Aid programming, by which the Commission makes commitments regarding financial amounts and sectors to be aided, is the first stage in the implementation of the Direct Aid Programme. It is an annual exercise which requires thorough preparation. In brief, the different stages of the programming process are as follows:

1. The Commission notifies the PA of the amount of programmable aid earmarked for the Occupied Territories (OT) (for 1995, ECU 52 million).
2. The Commission's Representative prepares an in-depth analysis of the situation of the OT in close coordination with member state representatives and others.
3. Exchanges of view are held between the EC Representative and the PA representatives in order to:
 - (i) Provide the Commission with information on the development objectives and priorities;
 - (ii) Identify the sector or sectors where EC aid will be concentrated;
 - (iii) Decide on the most suitable ways and means for attaining the objectives.
4. At the end of this preparatory stage, the Commission draws up a pre-programming document setting out the conclusions of the consultations.
5. Lastly, the Commission, accompanied by the European Investment Bank (EIB), conducts a programming mission to the PA, with the goal of jointly signing an indicative aid programme at the end of the mission. This document sets out the sectoral policies and the related indicative guidelines of Union aid, identifying the most appropriate ways and means for their attainment, and also specifying operations unrelated to the sectoral support.

IV. Identification of Operations

Identification of operations is the stage between programming and appraisal and is closely linked to the preparation of operations, although preparation can take place in parallel with either identification or appraisal. Identification is a continuous process. In practice, there is often no clear-cut line between both.

Normally the identification of projects or programmes is the responsibility of the recipient state. However, in the case of the OT, the Commission provides assistance for drawing up the preparatory dossiers, or may do so unilaterally.

The process of identifying individual operations is the decisive step in the establishment of the indicative programme. It is the point where sectors and objectives start to take form as fairly concrete operations. Identification demands both imagination and a thorough knowledge of the sector concerned and the OT.

V. Project Appraisal

The main aim of appraisal is to gather information to provide grounds for the financing requests of the Commission for a given operation. In order to achieve this, the Commission must ensure consistency and approves complementary operations between member states and the European Investment Bank (EIB). Therefore, all three parties should exchange any relevant information and coordinate as much as possible.

When appraisal has been completed, the EC representative sends a report to the Commission including project descriptions and an annex with relevant information on the project (studies, reports, surveys etc.). Upon approval of this report, the Commission notifies the representative to start preparing the financing proposal.

VI. Financing Proposal

The financing proposal is a formal Commission document designed to be sent to Member States for opinion and subsequent Commission approval. It sets out the justification for the programme and/or project including information on how the specific operation(s) fit in with the sectoral policies, background information on the operation, goals and output of the operation, implementation details, logical framework, cost breakdown, risks, gender issues.

A financing proposal can be for the whole programme, that is, covering the available total funds, for a series of projects or for a single project. The Commission is free to submit a financing proposal as it sees fit. However, the projects must be proposed during the appropriate calendar year in order not to lose the available budget.

The financing proposal is translated into every working language of the Union and sent to the respective member state missions to the Union in Brussels inviting them

to give their opinion at the next meeting of the Council's Mediterranean committee (MED-Committee).

MED-Committee

This committee meets regularly during the year, on average every two months. The Committee, chaired by the Commission, consists of representatives of the member states and is assisted by a representative of a member state Ministry or body dealing with development aid. Prior to the meeting, member states can forward written questions on the financing proposal to the Commission, which are answered in writing. This procedure allows the Commission to "defend" the proposed operations. It also serves the purpose of detecting possible gaps in a financing proposal, such as possible overlap with bilateral member states' programmes, of which the Commission had not been aware. The committee meeting then opens the floor to a thorough discussion on each of the proposed operations. At the end of this exercise, the Chairman (Commission) requests a vote based on the qualified majority rule (Article 148 (2) of the Treaty). In the case of approval, the Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

However, the Commission is not bound by the opinion of the Council's Management Committee. If it decides to go against this opinion, the matter is referred to the Council, which may reverse the Commission's decision within one month.

Following this meeting, the Commission has to go through an internal approval procedure. This can be done by written or, in urgent cases only, orally. The written procedure requires that each Commissioner gives his opinion of the financing proposal. Once all these visas have been obtained the financing proposal is formally approved. The responsible Commission services can now start preparing the Financing Agreement.

VII. Financing Agreement

The financing decisions taken by the Commission are unilateral acts which constitute undertakings by the Union to allocate resources for the implementation of a given project or programme. These documents are highly standardised because of the sheer number of the EU's partners. They are drawn up at the Commission's headquarters in Brussels in accordance with a format generally designed for these purposes. Normally, the financing agreements are signed between the Commission and the recipient country represented by a minister assigned by his government. In the case of the OT, these agreements have been signed in the past with the appropriate implementing agency.

The Commission is shifting towards having these agreements, where applicable, signed by the PA, until a full normalisation of relations have been introduced.

The financing agreement provides the legal base for a commitment of EU Aid and a basic documentary point of reference for purposes of project implementation and monitoring. Besides general conditions (the agreement), it covers the applicable technical and administrative provisions (Annex A). These define the objectives and scope of the project, the components to be supported and inputs to be provided, financial provisions, implementation arrangements and any special conditions.

The Financing Agreement is then signed by the responsible Commissioner and countersigned by the representative of the implementing Agency. The date of signature constitutes the official starting point for the implementation of the project.

VIII. Project Implementation and Monitoring

Parliament

The Commission has to report annually to the European Parliament on the progress of the aid programme. In addition, the Parliament can request the Commission to participate and report on the relevant sub-committees. The Parliament can also submit written and oral questions to the Commission on issues related to the programme.

Economic and Social Committee

The Economic and Social Committee can be requested by the Commission and the Council to give its opinion on any matter of interest. It is not formally involved in questions related to development.

The Institutions of the Union: The European Court of Justice, Court of Auditors and European Investment Bank (EIB)

by Soeren Schmidt, EU Representative Office, Jerusalem

Court of Justice

The European Court of Justice (ECJ) distinguishes the EU from other international institutions. The court is able to enforce the rules and directives decided by the Council of Ministers at the initiative of the Commission. This contrasts with other institutions such as the UN, the Council of Europe or EFTA which can be undermined by decisions of individual member states. The ECJ consists of one judge from each EU member state.

Courts in member states can ask the ECJ for rulings on an issue. Individual citizens can also appeal to the ECJ. Member states failing to implement court directives can

be fined, though this had not happened as yet. The court plays a key role in furthering the process of integration into a proper federation, with union law being superior to state law.

Examples of ECJ rulings

a) The case of the Danish Minister of Taxation against a Danish company was referred to the ECJ by a Copenhagen court. VAT rates had been frozen by the EU, as part of the harmonisation process, but the Danish government was found to have raised VAT rates in a disguised form. The government had to pay back the funds raised, and subsequently fell.

b) Another case concerned agricultural subsidies: a project in Sicily to farm 200,000 sheep was found to have only 50,000 sheep, while an official pocketed the difference. The ECJ ruled that the government had to pay back the money as well as a fine.

Member states tend to comply with EU regulations as upheld by the ECJ in fear of embarrassment and loss of leverage in intra-EU bargaining. The court findings can jeopardize access to funds, especially in cases of fraud.

European Investment Bank (EIB)

The EIB allocates funds to projects furthering integration, particularly communication and transport projects such as the Channel Tunnel. The bank operates on a guarantee from member states, enabling it to borrow at the most favourable international market rate. The EIB loaned a total of ECU18 billion in 1994, particularly for the integration of the Mediterranean region and is currently considering preferential loans to Palestine, with interest rates cut by subsidies raised from the Commission budget. Projects considered by the EIB must be revenue-earning in order to eventually repay loans (at least to cover the interest rates). In a Palestinian context, the Gaza port and airport as well as electricity grids projects could qualify for funding.

Court of Auditors

The court is another independent institution of the EU, and as such, a further component of the Union's system of checks and balances. The court can check the legality of expenditure of funds and the financial soundness of operations of the EU, including construction projects. The European Monetary Institute (EMI) will assist in establishing a single currency. It was established in Frankfurt in 1994 to monitor compliance with monetary convergence criteria.

The EU and the Palestinian Entity - Economic Issues

by *Hanna Siniora, Head, European-Palestinian Chamber of Commerce*
and *Veronique Peaucelle, Commercial Counsellor at the French Consulate, Jerusalem*

Hanna Siniora: In general, EU-Palestinian joint ventures are limited by Israeli obstacles to trade. However, some progress has been made, for example with Palestinian participation at trade fairs and the recent Amman summit. The way forward for the Palestinian economy is to focus on tourism and small and medium-sized businesses.

Veronique Peaucelle: The aim of the commercial section of the French Consulate is to promote Franco-Palestinian trade, working with the Palestinian private sector, the PA and PECDAR. The office has been established for three years, covering the pre and post Oslo periods.

1. European Aid to Palestine

EU aid to Palestine is beyond comparison with contributions from anywhere else, (even not including bilateral EU contributions to Palestine). 45% of economic/financial aid to Palestine in the framework of the peace process comes from the EU. In 1995, the EU will donate ECU 183 million (\$230 million) to Palestine, in comparison to ECU 76 million (\$95 million) promised by the Saudis and ECU 64 million (\$80 million) by the US. Aid from the EU includes running costs and is based on consultation with the Palestinians. For 1997-8, the EU has already pledged ECU 250 million in grants and ECU 250 million in soft loans.

EU aid represents an essential contribution to Palestinian development in two ways:

a. Direct aid to the PA budget

Most donors do not want to contribute to the running costs of the PA for fear that the money will be wasted. The French government, for example, is not allowed to make grants for budgetary expenses. EU aid is therefore crucial in keeping the PA running.

b. Project aid

An example is the funds for Gaza port. Such aid is critical for the survival and growth of the Palestinian economy. This aid was allocated in consultation with the PA and other donors to avoid duplication.

2. European Trade with Palestine

No specific figures for Palestinian-EU trade are made available by the Israelis. However, it is clear that Palestine has a trade deficit with the EU. Nonetheless, the legal framework of Palestinian-EU trade is very favourable to the Palestinians:

Palestinian industrial products can be exported to the EU without quota limits or customs duties and do not have to comply with EU standards regulations. Palestinian agricultural exports to the EU enjoy a preferential regime, with customs duties 40-80% below normal. This regime has been allocated without any *quid pro quo* or reciprocal trade agreement, as hitherto the Palestinians had no government to negotiate or sign an agreement.

The EU has also provided aid, training and facilities to encourage Palestinian exports to the EU, notably marketing assistance for agricultural products. In October 1995, at a meeting of the World Bank, the EU announced its intention to explore the possibility of entering into a more formal agreement with the Palestinians. The commission warned, however, that the PA must be clear of its intention to encourage a liberal-capitalist economy .

Compare this to the US-Palestinian trade relationship. Ostensibly a free trade arrangement exists, but only as an extension of the preferential arrangement already made with Israel, as such designed for an advanced, industrial economy, which received many assurances and credits in return. The EU, of course, also has a trade agreement with Israel, but would not consider applying it to the Palestinians.

Why this preferential treatment for the Palestinians from the EU? The answer perhaps lies in political point scoring at no risk, given the lack of competition from the Palestinian economy.

Regardless of such preferential treatment, the European market is very hard to penetrate, due to:

- a. Standards.
- b. EU quotas already favour former French colonies/protect European producers.
- c. The level of salaries in Palestine is higher than those in neighbouring Arab countries, which influences the price of exports and potential for labour intensive investment.
- d. The smallness of the Palestinian economy.

These factors indicate that Palestinian-EU trade will always be imbalanced in the EU's favour. However, this is to be expected - see, for example, Israel's huge trade deficit with the EU, despite Israel's preferential access to the EU market.

3. The Way Forward for the Palestinian Economy

The most important factor is that external financial assistance will not be sustained beyond the next 2-3 years. Given that there will always be a trade imbalance with the EU, the Palestinians need to consider other markets in need of good quality products

at prices lower than EU products such as the Arab World and Eastern Europe. The Palestinian economy should aim at niche products, for example pharmaceuticals.

Fundamentally, the Palestinian economic problem is not with the EU, but with the openness of the Palestinian economy: 65% of the Palestinian GNP are foreign exchanges - imports and exports. Since the \$700 million trade deficit with Israel represents 90% of the entire Palestinian deficit, the need is to change the internal market to exclude Israeli products and diversify sources of supply. Service industries, such as tourism and financial services could be the key to revenue earning. In conclusion, the Palestinians ought not concentrate on penetrating the EU market to solve their problems.

The European Union and the Palestinian Entity - Final Status Issues
by Dr. Sami Musallam, Director, President's Office, Jericho

The EU is an independent entity, not merely the sum of its member countries. EU policies may diverge from those of member countries. Even if the policies do not overtly contradict, they do not totally coincide. For example, for many years Germany had no contacts with the PLO, while Greece did.

The basis of EU policy towards Palestine was set by 'the 9' in the Venice Declaration of 1980, which established EU support for the following principles:

- a. The inadmissibility of acquiring territory by force.
- b. The necessity of a negotiated solution.
- c. Security for all states in the region.
- d. Respect for the inalienable rights of the Palestinian people, including self-determination.

The Euro-Arab dialogue, beginning in 1980, influenced the EU to adopt the phrase 'self-determination, with all that entails' as a fudge. Later, the EU was prepared to speak of a 'homeland', but did not go as far as calling for a state. The European Parliament *did* call for a state in 1986, as a result of the siege of Sabra and Shatila camps in Beirut. The more advanced position of the Parliament was due to the lack of constraints from member governments. The EU tended to shy away from the 'right of return', except for the Irish.

Final Status Issues

Final status issues, according to Oslo I and II are: Jerusalem, settlements, refugees, and sovereignty. The EU holds that international law is applicable to these issues and disagrees with the Israeli and US position that actions taken to influence the outcomes of final status issues cannot be discussed now or that UN resolutions are not applicable.

Jerusalem

The EU position on Jerusalem was stated in Venice Declaration, with Jerusalem considered to be occupied territory. This position was reiterated in May 1995, in response to the Israeli attempts to confiscate land in East Jerusalem. In response, the EU issued a statement condemning the attempted confiscation, describing Israeli policy as illegal under the 4th Geneva Convention as attempting to change the demography of the city.

Settlements

Israeli settlements in the Occupied Territories are seen by the EU as endangering peace and relations between the two peoples. The May 1995 statement condemned settlements and land expropriation, declaring settlements illegal under international law as a contravention of the 4th Geneva Convention.

Refugees

The EU officially does not have a position on refugees, hiding behind vague rhetoric. The Venice Declaration states that the Palestinian question is more than a refugee problem. The EU formerly referred to UN Resolution 194, but no longer does so, deferring to the results of ongoing Israeli-Palestinian negotiations. Shawki Armany, Palestinian ambassador to Brussels, presses the EU to adhere to resolution 194 as the only resolution dealing with refugees. The EU has given significant aid to refugees through UNRWA and is the largest single donor to the organisation, providing 38% of the budget.

Sovereignty and Diplomatic Recognition of the PLO

EU member states formerly held a range of positions regarding the PLO. For example, Vienna, Madrid and Athens gave the PLO official representative offices long before the Oslo Agreement, if only on a *de facto*, not *de jure* basis. Meanwhile, the PLO had no official presence in the Netherlands, Belgium and Germany, other than hidden in Arab League offices as information offices. In Germany, where even this was not allowed, the author was director general of a commercial company which effectively acted as the PLO office. The PLO office in Bonn was elevated to diplomatic mission status following the President's recent visit. President Arafat was invited to speak to the European Parliament in 1987 at the invitation of the Socialist Caucus, an unofficial invitation. Subsequently, he was invited officially.

Euro-Arab Dialogue

The Euro-Arab dialogue during the 1970s and 1980s was chaired on the Arab side by Dajani, a PLO man. Contacts were reduced in the mid 1980s due to Arab divisions over PLO representation and the abandonment of other former common Arab positions. Meanwhile, the EU distanced itself from the dialogue. Subsequently, the EU recognised the need to deal directly with the PLO and to upgrade direct relations in the Occupied Territories during the 1980s. The EU decided on direct support to the Palestinians on the ground, in coordination with, but not through, the PLO in Tunis.

Other EU Support for the Palestinians

The EU is a major partner in the electoral programme, involved in funding and monitoring of the elections and training 7000 Palestinian staff. The EU was the first major international player to give the Palestinians most favoured nation status in trading relations.

INTERNATIONAL NEGOTIATION: LECTURES & WORKSHOPS

by Dr. Paul Meerts, Deputy Director, the Netherlands Institute for International Relations Clingendael, The Hague

Introduction

Dr. Meerts began by saying that he was very delighted to have the opportunity to be at PASSIA and to contribute to such an academic exercise. He then gave a brief introduction to Clingendael, the Netherlands Institute for International Relations, saying that the objective of his institute is to promote the understanding of international affairs, with special attention being devoted to international organisations, including the NATO, the EU and the UN. Activities at Clingendael include research, information, publication of studies, training programmes, and maintaining a library/documentation centre. It advises governmental bodies and other organisations on organisation of conferences etc. A variety of post-graduate training programmes and courses for governmental officials, diplomats, military officers, civil servants and academics is offered on many aspects of international relations, diplomacy, negotiations and security.

Introduction to International Negotiation

The first exercise for the participants was to write a brief definition of 'international negotiation'. Having done so, small working groups of 3-4 participants had to compare their respective definitions and to negotiate on one common definition. Each group also chose a chairman to present the group's result to the greater audience and explain the decision-making process within the group which had led to the agreement.

After all the groups had presented their definitions, Dr. Meerts explained the meaning of this exercise: the starting point of any negotiation is that the negotiation partners state their *different positions* on a certain issue (here, definition of 'international negotiation'). The actual negotiation process is characterised by an interplay of trust and the various steps taken towards finding a solution which is acceptable for all parties involved. Hereby, a general rule is: the more distrust occurs among negotiators, the more difficult it is to reach an agreement.

Furthermore, negotiations often involve factors which are not directly related to the topic to be negotiated but which can effect the whole process. For example, a country's *interest beyond the actual problem to be negotiated* can play a major role.

The same goes for the interest of countries which are only indirectly involved in a problem, such as Germany during the Balkan crisis: Germany recognised several states emerging from former Yugoslavia at too early a stage, aggravating negotiations on the region at a later stage.

All these examples show that negotiations have a *context*. Such contexts should be kept in mind by anyone who negotiates. Most obviously, negotiators will always act according to the policy of their government, so it is of advantage to be aware of the official policy of the respective country.

Another problem to be dealt with during the negotiation process is *information exchange*. Information is very important but the crucial question for any negotiator is: how much information do I give to the other side at a certain stage? The dilemma here is that information generally means power, so that giving too much information might weaken one's position. On the other hand, less information might be insufficient in order to reach a next step.

In each negotiation there are also times of *crisis* and the whole process seems to head towards a dead end. Crises have a negative aspect but these can in turn be used and changed into positive aspects. Often, for example, there is a deadline to be taken into consideration and a potential crisis might speed up negotiations or increase the willingness to make compromises subsequently. A similar balance has to be found in terms of taking, as against avoiding, *risks*.

Although *silence* is often interpreted to imply that the negotiations have reached an impasse, it can also be used as a tool in some situations. The ambiguity of silence can cause different reactions: the parties involved might change the subject, previously hidden positions/goals might be revealed or new options might be discussed. Within such a context, the consideration of cultural differences is crucial; experience has shown that people from various cultural backgrounds react very differently to silence: while some get very upset, others use it as a break to reconsider their stand, and again for others it is a welcomed opportunity to mediate.

During negotiations, the *chairmen* of the negotiating teams need to have strong support from their parties so that they can follow a clear strategy. The *rapporteurs* play also a very important role; most crucial is their reliability regarding the correct reflection of the different parties' positions which built the main reference source at any stage during negotiations.

The ideal result of a decision-making process involving more than one party is *consensus* (as required for NATO decisions). Consensus, however, is not the easiest way to reach an agreement and often depends on the number of negotiation partners

involved. The general rule is, the fewer parties in negotiations, the more likely a decision will be reached by consensus.

The *interests* of countries regarding the negotiation topic have usually more common ground than the respective *positions* of the countries. Positions are also much harder to change than interests.

Two forms of negotiations can be distinguished:

- *integrative negotiation*, which leads to a *win-win situation* (i.e. all parties involved are pleased with the result)
- *distributive negotiation*, which leads to a *win-lose situation* (i.e. one party has reached what it wanted, the other one not).

Summarized, there are three kinds of negotiation processes:

1. The attempt to reach an agreement through *synthesis*, that is striving for a final document that everybody is satisfied with. This is the best possible outcome for negotiators. However, in such cases the *interpretation* of the agreed document is often variable, so that all parties can present it at home as it is most convenient and in accordance with their national policies. For example, with the EU Maastricht Treaty, the UK stressed that NATO will remain the more dominant body, while France sold the document by saying that the EU will become stronger. The problem of agreement through synthesis is that in practice, agreements often work because they may be too vague and its implementation is therefore extremely difficult.
2. *Synergy*, where the starting point is the definition of a common goal and different positions are stated only secondly. The conclusion of such a negotiation process will be much more coherent and better than in cases where the single positions are the starting point. Through synergy, everyone involved is winning, since the negotiations add values and combine various factors towards something better for all. Such processes often involve brainstorming sessions.
3. Negotiations which lead to a *compromise*. This often occurs when a solution has to be reached within a certain, limited period. An agreement built on compromise tends to be sub-optimal, however, since it implies some form of restrictions embedded in the negotiation process.

Negotiating: Strategy and Tactics, Skills and Styles

A common error is failure to check assumptions of the negotiating partner. The other side might have different aims in mind, sometimes to the extent of not wanting negotiation at all. For example, Chamberlain wanted peace in Europe but Hitler wanted German domination. Hitler did not want to negotiate, but Chamberlain did.

A negotiator who looks for partner only within his or her group, is weakening him/herself. Negotiators have to look for a coalition partners in untraditional groups, even in the other negotiating group. Flexibility in forming coalitions is also necessary. Sticking with the same coalition partner may lead to the partner gaining more benefits than necessary.

Differences in political systems have an impact on a negotiation process. Because Germany has a federal system, the position of the German representative is quite inflexible; whereas the French representative has great flexibility. The Netherlands is a confederation of seven provinces, each sovereign in its own way. It takes a lot of time before decisions can be made because ministries have to discuss and negotiate with other ministries.

No skilled negotiator likes to negotiate with unskilled negotiators because the unskilled are unpredictable and are not good for the stability of the negotiations. It is necessary to establish relationship with the unskilled negotiator in order to achieve stability in the negotiations. Negotiators must ignore emotions. For example, Arafat and Rabin built a relationship; whereas, the Bosnian conflict needs the US to mediate because the emotions are too high. It's difficult to negotiate about value-loaded issues. Usually, for instance, human rights issues can only be negotiated in a multilateral conference because unrelated issues can be linked together in a package deal.

A research study on British negotiations, comparing skilled against average negotiators, showed that a skilled negotiator

- uses less *irritators* per hour of face-to-face negotiating time.
- offers less frequently *counter proposals* per hour of face-to-face negotiating time.
- uses less time for *defence/attack spiral* per hour of face-to-face negotiating time.
- asks much more questions as a percent of all negotiating behaviour.
- gives less reasons to back each argument/case he/she advances.

A *Negotiation Style Analysis* can be made with the help of a Four Value Orientations table which describes the impact of different styles on communication. Usually people are strong on two styles. Some score evenly - this is good, because they are flexible, but such negotiators they are unstable and unpredictable.

1. An *Action-Oriented* negotiator talks about results, objectives, efficiency, achievements, decisions and the like and is decisive, direct, pragmatic, impatient (wants results quickly) and challenges others. This is typical of businessmen and US negotiators.
2. A *Process-Oriented* negotiator talks about facts, procedures, organisation, planning, analysis and details and negotiates in a systematic, factual, logical, cautious and unemotional manner. Examples are Germans and Austrians and civil servants.
3. A *People-Oriented* negotiator cannot negotiate unless he knows the people. They build up relationships and are strong in networking and informal negotiation. They talk about needs, motivation, cooperation, values, expectations, feelings and relations and are spontaneous, emotional, subjective, perceptive and sensitive. The Italians and Greeks are known for this, and probably also the Palestinians.
4. An *idea-oriented negotiator* talks about concepts, innovation, creativity, interdependence, alternatives and possibilities. He is likely to be imaginative, charismatic, creative, ego-centered, unrealistic, full of ideas and provocative. French negotiators often fall into this category.

A negotiator should be aware which type his/her counterpart is in order to be better prepared and to know how to deal with this particular negotiating style.

Exercise

Individual seminar participants were allocated the roles of diplomats in the process of moving posts, willing to trade consumer items of varying personal value. Participants had to negotiate package agreements of goods to be traded based on these values. The end value of goods in each participant's possession was totalled to give an assessment of negotiating skills.

Bilateral and Multilateral Negotiations

Negotiating parties can either have opposing or common interests, or a combination of the two. If the parties' interests are *opposed* only, one is more powerful and the issues are serious, then there will be a tendency to force the weaker party. If both parties have common interests, then means of cooperation must be arrived at. If interests are *identical*, then the parties should cooperate until the arrangement is implemented. If interests are *complementary*, then they can be integrated after

implementation. If the interests are both common and opposing, then negotiations will be highly complicated. If the negotiations are bilateral, there will be less of a problem; but if they are multilateral, it will be very hard to arrive at a solution.

For example, in a sales transaction, if Party A wants a certain price and Party B wants another, then the zone of possible agreement falls between these two prices. Where the agreement ultimately falls depends on the skill of the negotiators. However, if during negotiations it is realised that the *best alternative to a negotiated agreement (batna)* of each party creates no zone of possible agreement, then the only option is to negotiate various issues together and create a package deal. This is the strength of multilateral talks. The EU could not move forward without package deals.

National interest is always a package of various interests within a nation. National interest is fluid. Some fundamental factors will not change, but these are usually self-evident and unchallenged.

In negotiation, it is important to find out the needs of the other side. Maslow defines needs in an ascending order: survival, safety, social, esteem, and ultimately, self-actualization. Negotiators must assess the needs of their counterparts. The Palestinians are slowly moving up the ladder and might possibly now be at esteem. There is, of course, always problems between large and a small countries such as Holland and Germany, Poland and Russia, and Palestine and Israel. You can chose your friends but you can't chose your neighbours. Bilateral negotiations go rather fast, but if they are very polarised it is difficult to reach a decision. Multilateral negotiations go quite slow, on the other hand, since there are many options and many actors.

Negotiation Typology

<u>Negotiation Type</u>	<u>Issues</u>	<u>Examples</u>	<u>Creativity</u>
Bilateral	- 1 (often price) zero-sum game - win-lose - non-cooperative - imperfect information - alterable values	Buying/selling	low
Integrative Bargaining	- 2 or more - variable sum game - cooperative-distributive range (behaviour)	Company merger and acquisitions	low-middle
Multilateral	- Issue management of external and internal constituencies	GATT, UN, EC	middle-high
Plurilateral	- Multiple fora, actors, constituencies, institutions	GATT, OECD, IMF, World Bank	high

When negotiating, one always should start bidding outside the given zone, to calculate the midpoint and to apply tactics. The options are to give a strong first offer but only if one knows when to concede; if no first offer is given, one has to be cautious about overpowering; giving a first and final offer is only a tactic if there is no other option. By negotiating in this manner, one should play a psychological game. The pattern of concession influences the final outcome. One should not keep increasing concessions. Decreasing concessions during the stages of negotiation means that a final agreement is close.

Day Two: Exercise on Dilemmas of European Integration

The aim of this simulation was to enhance the participants' understanding of a number of fundamental dilemmas faced by the European Union, in order to give participants more insight into possible future developments, and to train skills in multilateral negotiations.

Each participant received general background information on the EU's current situation as well as individual instructions regarding a certain country's position. The participants were each assigned a EU member state and had to play its role in the subsequent deliberations.

The simulation was based on the consequences of Maastricht summit of December 1991, where the heads of government and state of the European Community decided to create a *European Union*. The Maastricht Treaty was a compromise between divergent positions and views with regard to the integration process and became controversial, with the ratification process in some member states running into trouble. Only by the end of 1993 most disputes were solved and further progress regarding the European integration process was back on the agenda. The EU member states, however, will now have to solve a whole range of important issues. Therefore, an intergovernmental conference will be convened in 1996 to review the EU Treaty and to work towards strengthening the EU and deepening the level of integration.

Against this background, the following scenario was placed before the participants:

"It is December 1995. Developments within and outside the EC have made it necessary to solve a number of controversial questions with regard to European integration immediately. The General Council of

the EU (the Ministers of Foreign Affairs) will meet tomorrow in order to see if it is possible to reach an agreement in broad outline on the following three issues:

1. Creation of European Monetary Union

- should the timetable for creating the EMU be adjusted?
- should there be a strict application of the criteria on economic and monetary convergence with regard to the creation of the EMU?

2. The strengthening of the institutional framework of the EU

- should the powers of the European Parliament be increased?
- should qualified majority voting be extended to all domestic policy areas?
- should the system used for holding the Presidency be changed?
- should the size/composition of the European Commission be changed?

3. Enlargement of the European Union

- what should be the time frame & conditions for the admission of new members?
- what other forms of cooperation with third countries (affiliate membership etc.) are possible?"

Given these instructions, each participant had to play the role of Permanent Representative (ambassador) of a EU member state according to the position of the country he/she represented. Together they formed the COREPER (Committee of Permanent Representatives) which must reach an agreement on all of the above-mentioned questions with unanimity in order to prepare a final document to be decided upon by the Ministers of Foreign Affairs the following day. Chairperson of the meeting was the Permanent Representative from Spain. Other participants were: UK, Italy, Portugal, Greece, Germany, Denmark, The Netherlands, France, Ireland, Belgium, Sweden and Austria.

In the morning session, participants delivered their speeches and were asked to make notes on the other country's positions on various issues. The aim of this was to see with which country it might be possible to build an interest coalition and thus, to become stronger within the Committee. After the speeches were delivered and the chairman ended the subsequent deliberations, the participants had to approach other "countries" in order to reach "deals" reflecting common interests. For this purpose, they had to build working groups within which they had to find approaches based on mutual interests to be later presented to the broader forum.

The first working group, comprising the UK, France, Belgium and Portugal agreed on the following position:

1. A Change in the composition of the Commission to allow one commissioner per member state, with no deputies.
2. No change to be made in the rotation of the presidency.
3. No increase to be made in the powers of the European Parliament. However, the scope of co-decision should extend to cover all matters pertaining to the environment, social and fiscal policy. Matters pertaining to justice, home affairs and the Common Foreign and Security Policy will be considered.
4. Qualified majority voting to be extended to domestic policy, with the exceptions of justice, home affairs, Common Foreign and Security Policy, fiscal, environmental and constitutional matters.

The second working group, made up of Spain, Austria, Greece and Germany concentrated on forming a common position towards European Monetary Union, agreeing on the need to form a parallel strong political union. Disagreements occurred over the possibility of changing the timetable for EMU, with Spain and Greece supporting a change and Austria and Germany vehemently opposed to such a change.

Spain and Austria opposed changing the EMU admission criteria, Greece and Germany advocated such a change, in different directions: Greece supporting a relaxation of the criteria, Germany proposing stricter requirements. Spain and Greece, meanwhile agreed that economically weaker states ought to be able to join EMU, while Austria and Germany opposed this.

The third group of countries, Ireland, Sweden, Italy and Denmark considered the enlargement of the Union, and agreed that it is in the common interest of all member states to work on deepening the Union, without ignoring the importance of enlargement, with a target date of 2000. Affiliate membership arrangements can be made for those countries not meeting the admission criteria. The Copenhagen Declaration on intensified and extended dialogue should be given substance as soon as possible.

FIELD TRIP

BACKGROUND

The second part of PASSIA's seminar programme 1995 was a field trip for six¹ of the participants to European capitals and the EU headquarters in Brussels for further training and experience in foreign policy, with the aim to enabling them to gain first hand experience in this field.

PASSIA's partner institutions in London (*Royal Institute of International Affairs, RIIA, "Chatham House"*), Paris (*Institute Francais des Relations Internationales, IFRI*), Bonn (*Friedrich Ebert Stiftung, FES*), Madrid (*Foreign Ministry, arranged via the Spanish Consulate, CG Manuel Cacho in Jerusalem*), The Hague (*The Netherlands Institute of International Relations "Clingendael"*) and Rome (*Istituto Affari Internazionale, IAI*) each hosted one of the fellows for one week, arranging accommodation and contacts with the Foreign Ministry and assisting the fellow wherever necessary.

After the first week (February 25th-March 2nd, 1996), the fellows converged for a further study week at the headquarters of the EU in Brussels (March 3rd-9th, 1996) to broaden their knowledge and experience on the EU, its practical functioning and its foreign policy as well as to establish their own contacts.

NOMINATIONS

Following the two-week seminar held at PASSIA and the submission of the second written essay required from the participants, the PASSIA Seminar Committee (consisting of Dr. Mahdi Abdul Hadi, Dr. Rosemary Hollis, and Dr. Paul Meerts) nominated the following participants as PASSIA fellows for the EU field trip:

- Mr. Allam Ashhab, PASSIA fellow to Chatham House, London
- Ms. Hania Bitar, PASSIA fellow to FES, Bonn
- Ms. Rula Dajani, PASSIA fellow to IAI, Rome
- Mr. Adli Da'na, PASSIA fellow to the Spanish Ministry for Foreign Affairs, Madrid
- Ms. Lily Habash, PASSIA fellow to IFRI, Paris
- Ms. Maral Kaprielian, PASSIA fellow to Clingendael, The Hague

¹ Originally, funding was available for five fellows, but due to the generosity of Clingendael and the Spanish Ministry for Foreign Affairs, six fellows were able to attend.

Ms. Deniz Altayli of PASSIA and Ms. Valerie Grove of Chatham House attended the second study week in Brussel as coordinators.

FIRST STUDY WEEK IN EUROPE (26 February - 2 March 1996)

COUNTRY REPORTS BY THE PASSIA FELLOWS

RULA DAJANI

Instituto Affari Internazionale - IAI
Rome, Italy

Monday, 26th February

Dr. Gianni BONVICINI, Director of the IAI, and Dr. Roberto ALIBONI, Director of Studies at the IAI.

(Topics discussed: PASSIA, the EU seminar and the field trip; programme set up by the IAI; work of the IAI; focus of research at the IAI)

Tuesday, 27th February

Dr. Nicola LENER, Policy Researcher, Ministry of Foreign Affairs

(Topics discussed: Palestine question; Palestinian vs. Israeli views on Jerusalem; peace process and economic aid to Palestine; securing lasting peace in the region; European defence policy; EMU; the Inter-governmental Conference 1996; EU member states and challenges regarding the EU's future; EU enlargement and institutional reform; Italy and the EU).

Wednesday, 28th February

Dr. Missirolli CESPI, Centre for Studies of International Politics

Thursday, 29th February

Dr. Enrico LETTA, Agenzia di Ricerche e Legislazione (AREL; Law and Research Agency)
(Topics discussed: Italian policy; upcoming Italian elections; political parties and their views on the EU; and the Italian parliament; the Inter-governmental Conference; Italy's EU presidency and its role in forming European Foreign Policy; EMU; Italy and the Middle East; Palestine question; Palestinian elections; prospects for democracy and human rights in Palestine)

Dr. Antonio CASU, Camera dei Deputati (House of Deputies, Defence Committee)

(Tour of the parliament; Topics discussed: internal rules and procedures; parliament's by-laws; different committees and their power; internal work of the Senate and the Deputies; Palestinian democratisation process; the peace process).

Dr. Roberto ALIBONI, Director of Studies, IAI
(*Topics discussed: work of the institute; input in Middle East affairs*)

Friday, 1st March

Dr. Flaminia GALLO, Researcher, IAI
(*Topics discussed: Dr. Gallo's research; European and international matters/current concerns*).

Mrs. Cathrine FLUMIANI, Middle East Desk Officer, Foreign Ministry
(*Topics discussed: Palestinian elections; Israeli closure and collective punishment policy; impact on Palestinians and the peace process; the question of Jerusalem: boundaries, checkpoints around the city and their implication, future scenarios; Palestinian economic development and Israeli restrictions; role of the donor countries/international community, both politically and economically; EU vs. US role in the peace process; EU policies: EMU, enlargement, institutions and future prospects; Italy's position towards the EU and international affairs*).

HANIA BITAR

Friedrich Ebert Stiftung - FES
Bonn, Germany

Monday, 26th February

Day at the FES headquarters in Bonn. Meetings with:
Dr. Wolfgang LUTTERBACH, Head of the Near East Section; Ms. Astrid BECKER, Coordinator on FES Women's Projects; Mr. Peter SCHLAFFER, Project Group for Development Policy; Dr. Alfred PFALLER
(*Topics discussed: Activities and projects of the FES*)

Tuesday, 27th February

Mr. Rainer EXENIEK, Chief of Staff, Committee on Foreign Affairs of the German Bundestag
(*Topics discussed: Tasks of the Committee; position of the German Bundestag vis-a-vis Palestinian-Israeli relations and their development; Germany's history and its implications for German relations with Israel and Palestine*).

Ambassador Peter M. DINGENS, Commissioner for Near and Middle East Policy, Ministry of Foreign Affairs.
(*Topics discussed: Tasks of the Commissioner; Germany's role in the new world order; Germany's special history and its implication for German foreign policy and Germany's position vis-a-vis the EU; German aid to the Palestinians*).

Thursday, 29th February

Counselor ROTTEN, Ministry of Foreign Affairs.
(*Topics discussed: Germany and the EU; EU's trade agreements with Israel and Palestinians*).

Friday, 1st March

Dr. Franz-Joseph MEIERS, German Society for Foreign Politics.

(Topics discussed: Activities and objectives of the Society; the role of societies in shaping foreign policies; Germany's decision to move the government to Berlin and its implications).

Following an invitation by Mr. Rainer ZIMMER-WINKEL, Head of the German-Palestinian Society, Berlin/Trier, Ms. Bitar proceeded to Hofgeismar to attend the Annual Conference of the Society. The conference lasted from Friday evening to Sunday afternoon and dealt with human rights and conflict resolution issues in a Palestinian-Israeli context. Panel topics included:

- Human Rights in Israel and Palestine after the Elections;
- Human Rights: A View from Israel
- Human Rights: A View from Palestine²
- The Human Rights Discussion and Its Political Function in the Peace Process: Possibilities and Dangers.
- Options for Political Settlements in the Israeli-Palestinian Conflict.
- Peace Without Human Rights? Democratic Models for Arab Palestine Neighbouring Israel.

(Participants: Dr. Ludwig WATZAL, Centre for Political Education, Bonn; Mrs. Daphna GOLAN, Director of Bat Shalom; Mr. Manuel SCHIFFLER, amnesty international, Berlin; Mr. Jörn BÖHME, Green Party; Prof. Dr. Alexander FLORES, University of Bremen; Prof. Dr. Klaus TIMM, Humboldt University, Berlin).

LILY HABASH

*Institut Francais des Relations Internationales, IFRI
Paris, France*

Monday, 11th March and Tuesday, 12th March

Research at IFRI on French domestic and foreign policy, the Chirac government, its programme, its cabinet members and their political backgrounds, French position and politics towards the Middle East; French EU policy.

Wednesday, 13th March

Mrs. Basma KODMANI-DARWISH, Head of Middle East Studies at IFRI

(Topics discussed: Economic situation in Palestine and prospects for future development; French/francophone involvement in Middle Eastern and Palestinian issues; possibilities for increased lobbying and practical assistance on the part of France).

² Invited to speak on this subject was Raja Shehadeh from Al-Haq, Ramallah. Since he was not able to come, however, Ms. Bitar was asked to cover this topic.

Mr. Joseph MAILA, Assistant Director, Institut d'Etudes Economiques et Sociales de Paris (IES), and Chief Editor, Cahiers de l'Orient.
(Topics discussed: French foreign affairs issues and foreign policy; French position and politics towards the Middle East; possibilities of exchanging information and students in the future).

Thursday, 14th March

Mr. Frederick CLAVIER, Directorate of European Cooperation, Ministry of Foreign Affairs
(Topics discussed: Maastricht Treaty; impending Inter-governmental Conference; EU policy within the international arena; EU regional policy efforts and non-visibility of CFSP; role of the EU Troika; possibilities of preventive European foreign policy; France's role within the EU; French proposals for institutional reforms within the EU).

Friday, 15th March

Mr. Christian JOURET, Directorate of Relations with Israel/Palestine, Ministry of Foreign Affairs.
(Topics discussed: EU and the peace process; role of the EU as against US role in the Middle East peace process since Madrid; different regional policy positions; EU's economic interests and potential political weight; Syria; French position towards a Palestinian State).

Mr. Roland DUBERTRAND, Responsible for Policy Planning and Staff, Ministry of Foreign Affairs
(Topics discussed: Ministry's planning and strategic think tank; elaboration of strategic plans and alternative scenarios regarding foreign policy issues, including the situation in the Middle East; general options for shaping external relations; French interest in Lebanon in terms of security issues and economic cooperation; peace process and final status negotiations).

ADLI DA'NA

Ministry of Foreign Affairs
 Madrid, Spain

Monday, 26th February

Mrs. Pilar Ruiz CARNICERO, Subdirector of Community Coordination for Institutional Relations, Secretary of State for EU Affairs, Ministry of Foreign Affairs.
(Topics discussed: Overview of the programme and the arranged meetings).

Mr. Jose Luis OSTOLAZA ZABALLA, Directorate General of Technical Community Coordination, Secretary of State for EU Affairs, Ministry of Foreign Affairs.
(Topics discussed: Current political situation and the peace process in the Middle East; structure of the department; possibilities of future cooperation with and technical assistance to the PA; the sending of Spanish experts to negotiations in an EU context).

Mr. Santiago MENDIOROX ECHEVERRIA, Subdirector General of Technical Community Coordination 'Internal (EU) Trade and Commerce', Secretary of State for EU Affairs, Ministry of Foreign Affairs.

(Topics discussed: Mr. Mendiorox Eccheverria's role as Spanish representative to EU meetings regarding customs, taxation etc.; EU internal market; tax regulations and rates; single market; EU-trade, bilateral trade, trade regulations, restrictions and problems).

Mr. Nicolas Pascual DE LA PARTE, Subdirector General of Economy, Finances and Social Affairs, Environment and Water Department, Secretary of State for EU Affairs.

(Topics discussed: Water and environmental situation in Palestine, Spain and the Mediterranean region; different interests of northern and southern EU member states regarding water issues; water problems in the Middle East and possible solutions).

Mr. Ricardo PEREZ VILLOTA, Subdirector General of Technical Community Coordination for Economics, Finance and Social Affairs, Ministry of Foreign Affairs.

(Topics discussed: Amman Economic Summit; Barcelona Conference and follow-up; decision-making regarding economic, financial and social issues; different positions towards EMU and the single currency).

Tuesday, 27th February

Mr. Javier M. CARBAJOSA SANCHEZ, Subdirector General 'Middle East', Directorate General of External Political Affairs (Africa and Middle East), Ministry of Foreign Affairs.

(Topics discussed: Political situation and peace process in the Middle East; recent suicide bombings; structure and duties of the department; cooperation with Spanish diplomatic missions; Spanish support to the Palestinians).

Mr. Alonso DEZCALLAR Y MAZARREDO, Subdirector General 'North Africa', Directorate General of External Political Affairs (Africa and Middle East), Ministry of Foreign Affairs.

(Topics discussed: Spanish support, cooperation and relations with North African states; Spain's interest in stability in the North African region; North African immigration to Spain and the EU; Spanish sanctions against Libya).

Wednesday, 28th February

Mr. Pedro MARTINEZ-AVIAL, Subdirector of Cooperation with the Arab World, DG Cooperation with the Arab World, the Mediterranean and Development Countries

(Topics discussed: Structure and work of the DG; Spanish support and development projects to the Palestinians; lack of experience of the PA in identifying priorities).

Mr. Borja Rengifo LLORENS, Technical Consultant, Subdirector of Cooperation with Mexico, Central America and the Caribbean, Spanish Agency for International Cooperation.

(Topics discussed: Spanish support and development projects to the region indicated above).

Mr. Miguel Angel RECIO CRESPO, Technical Consultant, Cooperation with EU, Spanish Agency for International Cooperation.

(Topics discussed: Budget and decision-making regarding international cooperation; country and project priorities).

Mr. Eduardo DE QUESADA, Subdirector General of Planning and Evaluation, Ministry of Foreign Affairs.

(Topics discussed: Role of NGOs in development of Third World countries; Spanish NGOs' involvement in Palestine and their projects; future project priorities; financing of NGOs).

Thursday, 29th February

Mr. Juan SUNYE MENDIA, Directorate General of Protocol, Ministry of Foreign Affairs.

(Topics discussed: Structure of the department and duties of the security, diplomatic, visitor's section, coordination, finance and public relations sections; procedures and organisation of official visits of head of states or foreign ministers).

Mr. Felipe BRAGADO, Director of Protocol, Ministry of Foreign Affairs.

(Topics discussed: Spanish diplomatic missions, their internal working and duties; various diplomatic passports and their meanings).

Friday, 1st March

Mrs. Pilar Ruiz CARNICERO, Subdirector General of Community Coordination for Institutional Relations, Secretary of State for EU Affairs, Ministry of Foreign Affairs.

(Topics discussed: Programme evaluation)

Mr. Pablo GARCIA-BERDOY CEREDO, Director of the Cabinet of the Secretary of State for the European Union.

(Topics Discussed: Role of the department to present priorities and different Spanish positions at minister meetings in Brussels).

Mr. Emilio FERNANDEZ-CASTANO Y DIAZ-CANEJA, Secretary of State to the EU, Spanish Foreign Minister to the EU.

(Topics Discussed: Political situation in the Middle East; peace process and the recent suicide bombings; Spain's role in the peace process; importance of training seminars for Palestinians).

Mrs. Jesus AROZAMENA LASO, Executive Deputy for Legal Affairs, Secretary of State for EU Affairs, Ministry of Foreign Affairs.

(Topics Discussed: Legal issues regarding the Secretary's activities and work).

Ms. Belen Alfaro HERNANDEZ, Assistant to the Secretary of State for EU Affairs (for governmental conferences), Ministry of Foreign Affairs.

(Topics Discussed: Writing and content of political statements of the Minister; planning, coordination and organisation of visit of the minister).

Mr. Ramon Abaroa CARRANZA, Deputy Secretary of State for EU Affairs, Ministry of Foreign Affairs.

(Topics Discussed: Role and work of the secretary; coordination with other departments; structure of the ministry).

Mr. Sylvia CARRASCO, Head of the Press Office, Secretary of State for EU Affairs, Ministry of Foreign Affairs.

(Topics Discussed: Preparations for press conferences, preparing official statements; importance of media coverage of the secretary's activities and of inter-governmental conferences).

ALLAM ASHHAB

*Royal Institute of International Affairs (RIIA)
Chatham House, London, UK*

Monday, 26th February

Conference at RIIA: "After Barcelona: the Euro-Mediterranean Partnership Programme"

*Participants included: HE Mr. Khalid HADDAOUI, Moroccan Ambassador to the UK; Mr. Richard STAGG, Head of the European Union Department of the Foreign and Commonwealth Office (FCO); Dr. Rosemary HOLLIS; Dr. Asia BENSALAH ALAOUI, Dr. Muhammad JARRI.
(Topics discussed: North Africa & Europe, the economic dimension, politics and society).*

Tuesday, 27th February

Dr. Claire SPENCER, Centre for Defence Studies, King's College for War Studies.

(Topics discussed: Palestinian Legislative Council elections; Islamic movements in Palestine; Palestine and the Euro-Mediterranean Partnership Programme)

Dr. Ibrahim KARAWAN, International Institute of Strategic Studies.

(Topics discussed: Political situation in Palestine; future of the peace process after the bomb attacks; upcoming Israeli elections; Palestinian elections; PNC - amendment of the National Covenant; future scenarios for Jerusalem; political role of Islamic movements in Palestine).

Mr. Robert WALKER, Press and Public Affairs, UK Information Office, The European Parliament (EP) - UK Office.

(Topics discussed: EU-UK relations; EU decision-making; multi-national parties/political groups in the EP; rights, duties, power and problems of the EP; the CFSP and WEU; EU enlargement; UK national agenda vs. EU common agenda).

Wednesday, 28th February

Mr. Gerard RUSSELL, Assistant Desk Officer, Near East & North Africa Department, FCO
(Tour of the FCO; Topics discussed: work of the department; political and socio-economic situation in Palestine; Palestinian elections; upcoming Israeli elections and impact on the peace process; final status negotiations on Jerusalem, settlements and refugees).

Mr. Matthew TAYLOR, Inter-Governmental Conference Unit, European Union Department (internal), FCO
(Topics discussed: The impending Inter-Governmental Conference; EU enlargement, EU budget and UK's contribution; UK position on EMU; Common Agricultural Policy).

Mr. Giles PORTMAN, European Union Department (external), FCO
(Topics discussed: The CFSP; EU role towards the peace process and the need for more involvement; international observation of the Palestinian elections; Oslo II provision for an international observer delegation to the city of Hebron; EU aid to the PNA).

Mr. Greg SHAPLAND, Research and Analysis Department, FCO
(Topics discussed: work of the department regarding the provision of information related to external relations issues).

Mr. Peter WALKER, Managing Director, Technitube Ltd.
(Topics discussed: Technitube; British unilateral aid to the PNA; Technitube assistance to the PNA: infrastructure project "water and sewage systems"; general water problem in Palestine and in Hebron in particular).

Working Lunch at RIIA with Dr. Rosemary HOLLIS, RIIA; Mrs. Valerie GROVE, RIIA; Mr. Awad MANSOUR, PASSIA fellow (currently King's College, London); Mr. John KING, Freelance and BBC Journalist; Mr. Martin BROUGHTON, BBC Arabic Service; Mr. Dai RICHARDS, Brian Lapping Association.
(Topics discussed: BBC series on the Arab-Israeli conflict and the Palestinian leadership from 1967 until the Oslo I Agreement; the Palestine question and the role of the international media; the credibility of the BBC Arabic Service).

Dr. Kirsty HUGHES, Head of the European Programme, RIIA
(Topics discussed: Britain's role in the EU and prospects; Britain and the 1996 Inter-Governmental Conference).

Thursday, 29th February

International Conference "Israel After Rabin", Britain Israel Public Affairs Centre (BIPAC), King's College, London, in association with Friends of the Hebrew University, Jerusalem, Friends of Bar Ilan University, Tel Aviv.

Topics and Participants:

- "Rabin - The Legacy": Mr. Brian KERNER, Dr. Ephraim SNEH, Israeli Minister of Health.
- "Strategic and Military Challenges": Dr. Efraim KARSH (Chair); Mr. Dov ZAKHEIM, SPC International Corporation ("Peace and Security"); Mr. Shimon NAVEH, Tel Aviv University ("Defending 'Smaller Israel'"); Dr. Efraim SNEH ("Israel in the Year 2000").
- "The Zionist Dream Revisited": Mrs. Helen DAVIS (Chair); Mr. Shabtai TEVETH, Tel Aviv University ("The Legacy of Ben-Gurion"); Mr. Arthur KOLL, Embassy of Israel, London ("From Ben Gurion to Rabin"); Mr. Robert WISTRICH, Hebrew University/University College, London ("Between Zionism and Post-Zionism").

Friday, 1st March

Mr. Afif SAFIEH, Palestinian General Delegate to the UK; Director of the Office of Representation of the PLO to the Holy See.

(Topics discussed: PASSIA and the EU Seminar; role and importance of the PLO London Office; significance and financial problems of PLO Representative Offices; the need and importance to recruit and increase PLO office staff in a professional manner; importance of recruiting a commercial attache; fund-raising in London for the PNA and Palestinian NGOs; the media in the UK; Mr. Safieh's contribution by lecturing and writing articles on Palestinian issues; Palestinian Council elections; and the question of Jerusalem).

Mr. Edward FOSTER, Researcher, European Defence and Military Sciences Programme, Royal United Services Institute for Defence Studies (RUSI), London.

(Topics discussed: EU and security issues since the second world war; problems of the EU's CFSP; the WEU and the role of NATO; the Anglo-American alliance and the Franco-German alliance).

Working Lunch at the FCO with Mr. Gerard RUSSELL, Assistant Desk Officer, Near East and North Africa Department and Mr. David HALLAM, Western Asia Department, Overseas Development Administration (ODA).

(Topics discussed: PASSIA, the EU seminar and the field trip; situation in Palestine; Palestinian elections; amendment of the PNC Charter; peace process, recent bombings and Israeli upcoming elections; Hamas-PLO dialogue; Oslo II Agreement, PNA credibility and economic aid to Palestine; future scenarios for Jerusalem; Palestinian-Jordanian relations and future prospects; human rights in Palestine).

Mr. Martyn BROUGHTON, Editor Topical Unit, BBC Arabic Service

(Topics discussed: PASSIA and the EU-Seminar; political situation in Palestine; and visit of the BBC Arabic Service Radio Station - live broadcasting).

MARAL KAPRIELIAN

*Netherlands Institute of International Relations
"Clingendael", The Hague, Netherlands*

Monday, 26th February

Mr. Hans LABOHM, Economist, Advisor to the Board at Clingendael

(Topics discussed: EMU and prospects for its implementation; Dutch position; possibilities of establishing free trade zone in the Middle East).

Prof. Fred VAN STADEN, Director of Clingendael

(Topics discussed: Programmes and activities of the institute; welcome to Clingendael).

Dr. Sam ROZEMOND, Department of Research, Clingendael (currently researching on Islamic fundamentalism in North Africa)

(Topics discussed: Islamic fundamentalism in North Africa and its rise in the Middle East)

Tuesday, 27th February

Mr. Leendert-Jan BAL, Coordinator of Courses on European Integration at Clingendael.

(Topics discussed: EU enlargement; widening vs. deepening of the Union).

Mr. P. DE KLERK, Head of Arms Control Section, Atlantic Cooperation and Security Affairs Department, Ministry of Foreign Affairs.

(Topics discussed: Arms control as part of confidence-building measures to secure peace).

Mr. Mohammed RABBANI, Head of the Lutfia Rabbani Foundation, Honorary Consul for Jordan and Kuwait

(Topics discussed: Activities of the Lutfia Rabbani Foundation).

Thursday, 29th February

Lecture at Clingendael with young visiting diplomats from the London School of Diplomacy headed by Dr. Nabil AYAD.

(Topic of the lecture: Challenges facing the EU until the year 2000 and the Dutch position towards these challenges; followed by a discussion with the participants).

Friday, 1st March

Mr. M. DEN HOND, African and Middle Eastern Affairs Department/Middle East Section (Political Affairs), Ministry of Foreign Affairs; Dr. Paul MEERTS, Deputy Director of Clingendael.

(Topics discussed: Political developments in the Palestinian territories and future prospects).

Mr. N. BEETS, Head of the European Commission Section, Ministry of Foreign Affairs.

(Topics discussed: External relations of the EU).

Dr. Nederveen PEITERSE, Institute of Social Studies (ISS), Lecturer on Politics of Alternative Development Strategies.

(Topics discussed: Exchange programmes between the ISS and Birzeit University for lecturers and students).

Mr. Y. HABAB, Representative, and Dr. Jaffar SHADID, Commercial Attache, Palestinian General Delegation to the Netherlands.

(Topics discussed: Changing positions of the Dutch government towards the Palestinians since the beginning of the peace process; actual assistance to the Palestinian people due to this change; the Dutch Ministry of Foreign Affairs' programme of financial assistance to the PNA; financial contribution of other Dutch institutions such as banks and investment bodies).

EVALUATION AND RECOMMENDATIONS

[The participants were required to write a report about their trip to and experiences in Europe, including a list of all meetings they attended in their respective host countries and an evaluation about the field trip programme. The following is summary of their assessment and recommendations].

The fellows considered the field trip to Europe as an excellent opportunity to learn more about the issues raised during the original seminar and to deepen their knowledge in the field of foreign policy and the EU. Therefore, the study visit was of great value in terms of gaining practical experience and many new perspectives on the relevant issues. At the same time, it was regarded as a good opportunity to educate people in Europe about Palestinian issues and the Palestinian perspective of the peace process. Also very beneficial was the possibility of establishing contacts. However, the purpose of such a trip was perceived as not being defined in a sufficiently clear manner; for example, the fellows expected to receive more of a training in order to gain skills on the level of a desk officer rather than having mainly a meetings programme with individuals from various institutions, ministries and professional backgrounds.

Suggestions on how to improve such a field trip programme, included the following:

- providing more appointments with higher-ranking officials and policy makers rather than with researchers and administrators;
- placements as desk officer, for example, for *practical* experience following the *theoretical* seminar;
- precise coordination with the host institute in formulating a visiting programme and providing that a detailed schedule be sent prior to departure of the fellow, in order to assure that the programme matches the purpose of the visit and for the fellow to be able to prepare him/herself accordingly;
- focussing on certain departments/projects within which the fellow could join the working team and be directly involved in their work in order to gain first-hand experience; this could be combined with few complementary meetings at other departments;
- longer-term placements at departments relevant for Palestinians to gain further education, training and experience - such as International Cooperation, Politics and Protocol Departments - would be extremely useful and desirable.

STUDY VISIT TO BRUSSELS (3-9 March 1996)

1. Format

The PASSIA fellows as well as the PASSIA and the European coordinator met with officials from the *Directorate General for External Relations: Southern Mediterranean, Middle and Near East, Latin America, South & South East Asia and North South Cooperation* of the Directorate Southern Mediterranean, Middle and Near East, Mashreq and Israel for an introductory meeting to discuss the programme set up by the Directorate.

The European Commission's Visitor's Service provided the group with a hostess, Ms. Hilde de Coninck, to guide the group between the meetings and to arrange security clearance where necessary (e.g. at the European Parliament). The Commission also provided each participant with EU information material and gifts.

2. Programme³ and Summary of the Meetings

Monday, 4th March 1996

9.30 -10.30 **Plenary with Mr. Gavin EVANS**, Desk Officer - Occupied Territories Directorate General for External Relations: Southern Mediterranean, Middle and Near East, Latin America, South & South East Asia and North South Cooperation; Directorate Southern Mediterranean, Middle and Near East, Mashreq and Israel.
Place: European Commission, 14 Rue de la Science, 1040 Brussels

Summary:

Participants were welcomed by Mr. Gavin Evans and handed a programme schedule for those meetings set up by the Directorate General. Followed by a briefing about the DG's work.

12.30-14.00 **Meeting with Mr. Shawki ARMALI**, Palestinian General Delegate in Brussels, and **Mr. Hisham EL-FARRA**, Head of the Euro-Palestinian Economic Unit, Commercial Attache of the PLO Delegation, Brussels
Place: Palestinian General Delegation, 111 Franklin St., 1040 Brussels

³ The programme for Monday, Tuesday and Wednesday afternoon was arranged by the Directorate General.

Summary:

Mr. Armali welcomed the participants and asked them to briefly introduce themselves. He then explained the role of the PLO office before and after the Oslo Agreement. He emphasised the lack of funding faced by PLO delegations all over the world, saying that this affects their work and achievements considerably and endangers their future. He explained that although the PLO office has no official status yet, it is recognised *de facto* with most countries dealing with the representatives on any relevant matters. Mr. Armali stressed the importance of training young Palestinians in the field of diplomacy in order to build a cadre which will provide staff for the PLO offices in the future. He pointed out that the current PLO delegates are representatives of the older generation and might continue for another few years only. Therefore, the Palestinians need to prepare a new generation for these tasks.

14.30-15.45 **Meeting with Mr. Peter CARTER**, Principal Administrator, Near & Middle East, Common Foreign and Security Policy Unit, General Secretariat of the Council of Ministers.
 Place: European Council, Justus Lipsius Building, Room HN 70

Summary:

Mr. Carter began by saying that CFSP could be summarised as quite operative and active but not necessarily effective in every field. The EU is seriously trying to create a role for the CFSP in the international arena. The provisions of the Maastricht Treaty foresaw that CFSP shall not just respond or follow but also shape foreign policy. Mr. Carter said that Bosnia is a negative example for a regional CFSP action but has also been the most visible and spectacular one so far. Another example for common action was the sending of an observer delegation to the first Palestinian elections held in January 1996. This was very important for the EU since it became politically visible in the Middle East for the first time. It made clear to the US, Israel and Syria that the EU strives for a role beyond being the major funder of the peace process. Mr. Carter pointed out that the US has certain advantages regarding the mediator role, including the following:

- the EU lacks continuity (e.g. the presidency changes every six months);
- the Troika - whose constituents change continuously - is not an effective means to represent the EU abroad;
- different national Foreign Ministry structures hinder the development of a continuous and clear organisation;
- some EU member states are too small or large to perform the role of presidency properly.

Suggestions to improve the current situation include:

- the introduction of a permanent "CFSP-Man" who would be recognised as representative of the EU's CFSP; or the introduction of a Mr./Mrs. Europe representing the EU as a body;
- a permanent senior official heading the CFSP and being controlled by the Council;
- extension of the presidency period (which, however, would expand the waiting period for each state correspondingly).

In the subsequent discussion, the following questions were raised:

Q: Would the realisation of the EMU have an impact on strengthening the CFSP?

A: No. EMU would basically contribute to strengthening the EU as a union.

Q: How does NATO effect the EU's CFSP?

A: The EU stays away from NATO territory and does not interfere with its work.

Q: Why did the EU not interfere in former Yugoslavia?

A: We were present there but we cannot intervene militarily, starting with the fact that the EU has no army. We sent a peace monitoring team to Mostar.

Q: What was the EU's reaction to the recent bus bomb attacks in Jerusalem?

A: We released a statement condemning these attacks. Israel wants us to send a delegate to Arafat but we consider it self-evident that Arafat has to do all he can to stop suicide attacks. The EU is aware that Arafat's responsibility has limits, for example if the suicide bomber comes from an Israel-controlled area.

Q: Why does the EU not send someone to Israel forbidding them to kill members of Hamas, even within the autonomous areas?

A: As a union, we can only react to or speak on occurrences about which we have accurate knowledge. This did not apply in the case of the assassination of Yahya Ayyash. It might be clear to you who was behind the killing, but we don't have the proof and we don't have an EU Secret Service which could be sent to investigate, for example. On the other hand, we are hard with Israel regarding issues such as the closure policy and economic restrictions for Palestinians. The same goes for settlement and land confiscation activities which we do consider illegal. The EU tends to favour the eventual evacuation of settlements. And our policy towards the Jerusalem issue is to continue visiting Orient House in order to demonstrate our non-acceptance of Israeli annexation of parts of the city as well as our position that the final status of Jerusalem is subject to negotiations.

Q: Why did the EU not postpone the signing of the Association Agreement with Israel until the provisions of the peace agreements with the PLO are fully implemented?

A: The EU has good relations with Israel which is also an important trade partner. The agreement itself has nothing to do with the peace process so why should we alienate Israel by postponing its signing? In Barcelona, the decision was made to establish better relations with the Mediterranean countries, including those in the Middle East. The idea did not come because of the peace process and although it is linked to it in one way or another, it generally has nothing to do with it.

Q: If the EU is basically an economic partner and power but not a political one, and therefore - although it wants to - cannot play a role in the peace talks between Syria and Israel; why does the EU not focus on countries other than Syria and initiate its own tracks? Thus it could develop an independent role and go its own way.

A: That's a good question and my answer is: we simply have not thought of it. The option for the EU to initiate its own tracks has not yet been discussed or considered.

Tuesday, 5th March 1996

10.00-11.00 **Meeting with Mr. Gianluca BRUNETTI**, Administrator
Committee on Foreign Affairs and Security Policy of the European Parliament
"The Role of the European Parliament in the External Activities of the EU"
Place: European Parliament, 97-113 Rue Belliard, Room 7020, 1047 Brussels
(followed by a tour of the new European Parliament building)

Summary:

Mr. Brunetti began by explaining that the European Parliament (EP) is elected every 5 years in all member states which then send their national representatives to deal with EU matters. He added that the national parliaments of the EU member states have no control over decision-making within the framework of the EP. The EU's foreign policy consists of two elements:

- a) common positions (e.g. statements such as condemning the recent bus bomb attacks in Jerusalem),
- b) common action (e.g. sending a observer delegation to the Palestinian elections).

However, regarding the election observation delegation it was the Council which made the decision, without prior consultation with the Committee on Foreign Affairs and Security. This shows the limited political power of the Committee although there is enough room to shape foreign policy by agreeing to or vetoing decisions. In order to strengthen its role, the Committee plans to ask in the impending Intergovernmental Conference for the following:

- to generally decrease the Council's role (obligation for unanimity)
- to introduce majority voting in the Council
- to guarantee the financing of common action by the EU budget
- to accept the neutrality of some member states (e.g. Austria) when it comes to common action such as sending troops to former Yugoslavia. While these countries should not be forced to provide troops or equipment, they should allow free passage through their territory.

Discussion:

Q: What does the European Parliament contribute to European integration?

A: There are several efforts towards this end, such as the involvement of NGOs, cooperation with other bodies, spreading information about the EU, its goals and achievements etc. The most important thing is to convince the people in all member states of the benefits of the EU.

Q: How does the EP react if single member states take unilateral action such as France with its recent nuclear testing programme?

A: We were very upset and the EP did not hide its displeasure and disagreement with the French plans. France itself had not even consulted with the other EU members but just went ahead with its project. At one time we considered bringing the case before the European Court of Justice but we refrained. A similar case erupted when Germany unilaterally recognised some

of the states which emerged after the fall of former Yugoslavia. Generally, it can be said that the process of building a common policy is very long and requires first an agreement on common interests which is very difficult to achieve.

Q: How is the EP structured?

A: We have seven departments such as Administration, Research, Information and Finances. All member states are represented to a certain percentage but the staff themselves are not linked to their respective national governments.

15.00-16.15 **Meeting with Mr. Michael WEBB**, Deputy Head of Unit
 Directorate for Southern Mediterranean, Middle and Near East, Mashreq and Israel; DG for External Relations: Southern Mediterranean, Middle and Near East, Latin America, South & South East Asia and North South Cooperation.
Place: European Commission, 14 Rue de la Science, 1040 Brussels

Summary:

Mr. Webb began by saying that the two major events of 1995 were (1) the EU Council's meeting in Cannes, where the EU's Mediterranean policy was discussed and an agreement about its financial budget was reached, and (2) the Euro-Mediterranean Conference in Barcelona where the Foreign Ministers of all EU member states as well as officials from the EU Commission met with the Foreign Ministers of 12 Mediterranean countries to discuss the Mediterranean Partnership Programme. The 12 partners are: Morocco, Egypt, Algeria, Tunisia, Palestine, Israel, Jordan, Syria, Lebanon, Malta, Turkey and Cyprus. According to Mr. Webb, Libya is excluded for the time being for political reasons but it is hoped that the situation there will improve so that it can be involved as well.

The reasons which led to the initiation of such a partnership programme were:

- the realisation of the importance of stability in the region
- the striving for peace and security in the Mediterranean
- the necessity to cooperate on issues such as terrorism, drug trafficking and environmental protection
- the huge potential for economic opportunities to be jointly exploited.

The relationship envisaged between the EU and the Mediterranean is based on the following dimensions, the details of which will be outlined in bilateral agreements with each partner country:

- a) politics-security-stability dimension: to work together towards peaceful coexistence in the region;
- b) economic-financial dimension: (1) achieving a free trade area by the year 2010; (2) provision of EU assistance and aid (currently 4.268 billion ECU), and (3) exchange and development of culture, media, education and human resources.
- c) social-cultural-human dimension: supporting civil society in the widest sense.

Mr. Webb concluded by saying that in some areas such as transportation, trade and environment, also multilateral agreements are foreseen since they are of mutual concern.

Discussion:

Q: Why has the EU initiated such a programme? What's really in it for the EU?

A: It is obvious that the EU did not launch the programme out of altruism; the main aim behind it is the strategic interest of Europe to avoid a worsening of the situation in the Mediterranean countries on our doorstep in terms of economic development and employment. Poverty and unemployment lead not only to political unrest, but also cause problems within the EU states, such as increased immigration. On the other hand, the Mediterranean countries obviously offer a huge market for the EU.

Q: Different EU member states have different interest in different Mediterranean countries, whether for historical or because of geo-strategic reasons. How did you integrate these differences?

A: There was a long process of discussion and debate within the EU before we took the next step and approached the Mediterranean countries. But in spite of all our differences, there is not a single EU country which has no interest in the region.

Q: Is the huge amount of EU investment in the Mediterranean expected to be worth it? And what about the Gulf States, which in the long-run cannot be left out.

A: We expect that our investment will attract further foreign investment, both public and direct. If the individual countries do not take the right development measures - in accordance with their respective agreements - we will cut off the money flow.

Regarding the Gulf, we plan to draft some sort of agreement but it will take time. The Gulf is certainly not a priority area, at least not for the time being.

Q: Why are products such as strawberries and cut flowers, which are very important for the Palestinian export sector, not included in the current agreement?

A: It is currently being discussed what kind of concessions are possible in this regard. An export volume for cut flowers of 15,000 tons per year has been proposed but the member states have yet to agree. As for the strawberry quota, it will most likely stay as it is because there are some experts who think that Palestinians may try to export as many strawberries as possible to the European market and we are not ready for it. Generally, however, the EU is open to other Palestinian agricultural goods and offers most liberal treatment.

Q: How do you view the de facto custom union between Israel and the Palestinian territories?

A: We are very aware of the problem that Israel is blocking Palestinian export activities and the free movement of goods, and we have put pressure on Israel to refrain from such measures.

Q: The Barcelona Declaration refers to GATT regulations. Why should we, as Palestinians, abide to them, while we have no state as yet and therefore, cannot become a member of GATT?

A: We are GATT members and as such have to abide by GATT rules and regulations. Beyond this, it does not matter whether our partners are members or not.

Other points discussed included the role of the EU and the US vis-a-vis the peace process and the issue of democratization and human rights in the context of EU aid and assistance.

16.30-18.00 **Discussion with Mr. Gavin EVANS**, Desk Officer "Occupied Territories" and **Mr. Diego OJERA**, Political Officer for the Mashreq
Place: European Commission, 14 Rue de la Science, 1040 Brussels

Summary:

Questions raised and topics discussed included: The CFSP in the making and its future outlook; the impending inter-governmental conference, its issues and prospects; the de facto practical functioning of the EU; EU aid to the Palestinian Authority as against aid to Palestinian NGOs; the EU-Mediterranean Partnership programme; and the budget lines allocated for Palestinian within the DG.

Wednesday, 6th March 1996

10.30-13.00 **Meeting with Dr. Hermann BÜNZ**, Head of the Friedrich Ebert Foundation (FES)/Brussels: Lecture and discussion on *The European Union - Experiences followed by lunch with the participants.*
Place: 5 Rue Archimede, 1040 Brussels

Summary:

Dr. Bünz welcomed the participants and asked each one to introduce him/herself and to describe what they have experienced during their week's stay in the different European capitals as well as their impressions of their respective countries. He mentioned that having realised the importance of Palestinians being aware and informed of the EU and its functioning, FES Brussels, in cooperation with FES Jerusalem is currently preparing a lobby course for Palestinians at the EU which is due to take place later this year and aims at educating Palestinians on how to deal with the various EU departments in order to effectively promote their case.

Dr. Bünz then explained the activities and objectives of the FES which has some 100 offices spread all over the world:

- cooperation and consultation with international trade unions;
- promoting/supporting job creation efforts and activities as part of a socio-economic program;
- training and education for journalists and others involved in the field of media (e.g. "Arab Vision" in Algiers);
- political training;
- supporting administration-building process in Eastern European countries;
- activities related to the EU, dealing with issues emerging from a Europe which on the one hand is becoming much closer but on the other hand still faces considerable differences regarding social systems and employment regulations. Activities of these projects include:
- supporting trade unions within the EU;
- promoting regional projects (e.g. women's development projects in Spain)
- educating non-EU countries about the EU, its functioning, implications and goals.

15.00-16.30 Meeting with Mr. Hans SCHOOF and Mr. Henning NIEDERHOOF,
Med-Programme/Med-Interprise
Place: DG 23, 80 Rue Aarlen, 4th Floor - Room 15, Brussels

Summary:

Mr. Schoof began by saying that the Med-Interprise Programme developed from the EU's concern over increasing unemployment and deteriorating economic conditions in Mediterranean countries. The aim of the EU is to encourage small and medium sized enterprises in these countries in order to foster economic development and help improve the living conditions. Within the EU, a European Information Center (EIC) has been established and branches opened in Mediterranean partner countries (including one in Gaza). These centres provide information on a wide range of goods and services suitable for the domestic markets and needs and try to facilitate joint ventures as well as partnership licenses for manufacturing and supplies of raw materials between companies in EU member states and Mediterranean partners. In order to stimulate cooperation between such companies, the following activities have been initiated:

- Bureau de Rapprochement des Entreprises (BRE): publication of magazines containing relevant information and disseminating information among interested companies (the Euro-Palestinian Chamber of Commerce is the BRE correspondent for the Palestinian territories);
- Business Consultancy Net: providing consultants to advise companies how to conduct business;
- Med-Interprise: establishing contacts between European companies and those of host countries;
- Euro-Partenariat: held twice a year; more than 3,000 companies from the Mediterranean region participate in projects;
- Med-Invest: launched in 1992 to finance programmes such as the Med-Interprise events.

The last Med-Interprise event took place on February 23/24 in Bethlehem, Palestine. Organised by the European-Palestinian Chamber of Commerce, based in Jerusalem, more than 100 local companies and over 200 visiting companies from across Europe as well as from Jordan, Morocco, Israel and Cyprus attended displaying their goods at stands, exploring each others markets and initiating contacts. The European-Palestinian Chamber of Commerce now has to follow-up on the event and keep a record of the development between companies.

Mr. Schoof said that the Med-Interprise Palestine event was the most successful event which had taken place under the framework of the programme so far. He stressed the professional organization and the advanced and high quality of the goods displayed. He concluded by saying that the projects planned for the 1996 Med-programme include holding a Med-Partenariat in Jordan (with 500-600 participants anticipated) and smaller events in Malta, Cairo, Syria and Lebanon. For the period from 1997 to 1999, two large events (among them a second round of Med-Invest) and eight smaller events are planned.

Mr. Henning Niederhoof explained that with the focus on trade, the EU aims at fostering the commercial sector in its partner countries, hoping that this will lead to a significant decrease in unemployment and a prospering economy. Part of the "Commerce 2000" project is the introduction of technologies in the trade sector to increase efficiency, productivity and competitiveness.

Thursday, 7th March 1996

- 14.00-16.00 **Impressions of Europe:** Interviews conducted by **Mr. John KING** - BBC World Arabic Service (on *Euro-Arab Relations, the EU & the Trip to Europe*).
Place: Hotel Euro Flat, Restaurant
 Broadcast on March 19th as part of the programme "EUROFILE".

Friday, 8th March 1996

- 12.15 Group pick-up by NATO bus at Hotel Euro Flat
 13.00-14.00 Lunch in NATO Restaurant with **Mr. Nicola DE SANTIS**, Officer for Southern and Eastern Mediterranean Countries & **Mrs. Greta GUNNARSDOETTIR**, Multilateral & Regional Affairs Division.
 14.00 Video film *How NATO Ticks*
Place: NATO Headquarters, 1110 Brussels

Remark: The group was officially welcomed by the External Relations Department and considered, thus treated, as "Delegation of Young Palestinian Diplomats".

- 14.15-15.15 Briefing on *Political and Military Interfaces in NATO* by **Mr. Nicola DE SANTIS**, Officer for Southern and Eastern Mediterranean Countries

Summary:

Mr. de Santis welcomed the participants saying that this was the first ever visit by a Palestinian delegation to NATO. He said that it was very important for NATO to establish such contacts because it had only recently started a dialogue programme with non-NATO states. Mr. de Santis explained that in accordance with NATO rules, his department had to ask all 16 NATO member states⁴ for approval for such a visit and had just one not agreed, the meeting would not have taken place. However, all had approved the request unanimously.

Mr. de Santis then explained the organisation and activities of NATO, the structure of NATO's forces, and the NACC (North Atlantic Cooperation Council). The latter is a forum for dialogue and consultation on political and security related issues, and includes NATO member states as well as 22 East European and former Soviet Union states. He illustrated NATO's role in

⁴ Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Turkey, UK, and the USA.

peacekeeping in the former Yugoslavia and NATO's Partnership for Peace (PFP) initiative, which was launched in 1994 and aims at working towards the expansion and intensification of political and military cooperation in order to promote peace and stability. Signatories of the PFP document include former Warsaw Pact members as well as Austria, Finland and Sweden. Mr. de Santis concluded by saying that NATO had recently also begun a dialogue with the following Mediterranean countries: Tunisia, Egypt, Israel, Mauritania, Jordan and Morocco. The decision on which countries to include in its partnership programmes has always to be made by consensus.

15.30-16.30 Briefing on NATO's Current Political Issues
by Mr. Nicholas WILLIAMS, Speech Writing and Policy Planning Section,
Political Affairs Division

Summary:

Mr. Williams introduced himself and said that this was the first time he had spoken to a group of Palestinians which was a great pleasure for him and very valuable for his own purposes. He said that part of his job was to inquire what people think about NATO. He explained that NATO is a diplomatic body rather than a thinking organisation. Within NATO, the US has the main role in terms of power, security issues and keeping a balance among members. Due to its obvious military and political strength, the US is also the most needed and, thus, most influential member. Even after the fall of the former main enemy, the Soviet Union, all NATO members have their own national interest in maintaining NATO. Less influential countries like Italy, for example, are guaranteed through NATO that stronger countries such as the UK, Germany or France do not become too dominant or align themselves against others.

NATO today: conditions for crisis management

The changes in Eastern Europe have led to several developments which have affected NATO in the following ways:

- With regard to security concerns, NATO's role has become more political than military.
- NATO is increasingly involved in crisis management "out of area", i.e. it is not limited to self-defence anymore. In this context, Mr. Williams explained that forces and weapons are always provided by the member states who each guarantee to contribute a certain contingent in case of action since NATO itself does not have an army. NATO only intervenes in an out-of-area dispute if requested by the UN or the OSCE.
- NATO is undergoing a restructuring from within, aiming to give more power to Europe ("Europisation").

NATO's Future

NATO's future plans and prospects are determined by its short-, medium- and long-term goals:

- Short-term: Implementation of the Dayton Peace Agreement for Bosnia, which consists of military and civil tasks. NATO will function as a supervisor and assure the separation of conflicting forces. It is hoped that the action in former Yugoslavia

may become a model for security measures in the future, with Europe coming closer together for a common purpose. In reality, however, the time frame for such programmes is limited, which might hamper their success.

- Medium-term: *The enlargement of NATO. This will undoubtedly take place although it must be questioned whether the good relationship with non-members which are not offered membership can be maintained. This is especially the case with Russia which may be humiliated by its exclusion. NATO, as a security organisation, risks creating a security problem for itself. Therefore, some sort of compensation for these countries has to be worked out. This could take the form of closer relationships or cooperation in various matters.*
- Long-term: *The restructuring of NATO with focus on a greater European responsibility. The WEU is compatible with NATO but as yet outside the NATO framework. The US might have resentments since the rebuilding of NATO as a more European structure would occur at the expense of the North-Atlantic relationship.*

The discussion which followed centred around issues such as the NATO-EU relationship and the prospects for partnership programmes involving Middle Eastern countries. Mr. Williams concluded by saying that he was very impressed by his first encounter with a Palestinian delegation and that he hoped that there will be increasing opportunities to meet with such visiting groups.

16.30-17.45 Briefing on NATO's Cooperative Relations with Countries of Central and Eastern Europe
by Dr. Marco CARNOVALE, Central and Eastern Europe & Liaison Section,
Political Affairs Section

Summary:

Dr. Carnovale lectured on NATO's NACC and PFP programmes, which involve former "enemy states" (Warsaw Pact members) as well as neutral states such as Sweden. He explained that NATO offers these countries stability projections upon their request. NACC and PFP include cooperation and consultation projects which aim at promoting peace and security in the whole of Europe. While NACC is mainly based on consultation on a political, often multilateral level, PFP involves military and cooperation programmes (e.g. civil emergency cooperation such as in the Bosnia peacekeeping action) and is mainly bilateral.

The discussion with the participants included topics such as military intervention, security issues, security threats vs. socio-economic development, and the possibilities of future NATO involvement in the Middle East. Mr. Carnovale concluded by saying that it was the first time ever for him to brief a Palestinian group and that he hoped it would not be the last.

3. Assessment and Recommendations

Brussels Programme:

EU officials very much welcomed the programme and stressed that it was excellent to get feedback from Palestinians and that such an opportunity was rare for the EU. The feedback could have actually been greater but the group did well in addressing their issues of concern and expressing their views. The group also have certainly realised that it is not enough to expect, ask for or receive advice or assistance from the EU but rather to work on a specifically Palestinian agenda and lobby for it. However, there was not always enough time for this with the speakers so that some of the sessions had to be finished with questions/issues left open. It was also unfortunate that the group was sometimes not met with the seriousness it should have been received and that some of the EU officials met did not have an adequate background about the group and were thus, to some extent, either uncertain what exactly to talk about or repeated information. The main reason for this lack of information is probably the fact that no one at the EU Commission is responsible for setting up such programmes, except the EU Visitor's Programme, which usually deals with school classes.

EU administrators and other officials repeatedly stressed that the EU is seeking a (greater) political role in the Middle East. With regard to the peace process, it became clear that the EU, in the long run, will not be satisfied with being only the major donor and that its provisions of funding may become contingent on being allowed a more significant political role by the US, Israel and other states involved. A first step towards more engagement/visibility and towards establishing its credibility as political partner was the decision to send a delegation of some 300 EU observers to the recent Palestinian elections. The envisaged future involvement of the EU should go beyond the provisions of the recently launched Mediterranean Partnership Programme.

The background provided by this field trip has major potential for the development of future links, cooperation and dialogue with the EU. Given the political and socio-economic implications of EU policies in the region, there is an urgent need to disseminate more information and understanding of the EU within the Palestinian community. This should be emphasised in future proposals and taken into consideration when setting up future seminar/field trip programmes.

More emphasis should be given to the group as presenters of Palestinian concerns. For example, sessions could be organised, in which the participants give presentations (prepared in advanced) and answer questions/lead the discussion. Meetings arranged in Brussels should be longer in order to allow for real discussions rather than briefings which may not be sufficient.

Preparation:

The idea of a field trip as follow-up to the PASSIA seminar on the EU was developed after the seminar programme itself and then "attached" to the original project without prior consultation with the partner institutions involved. Therefore, the study visit, although theoretically sound, lacked some basics in terms of its practical implementation. For example, the feasibility of a one-week placement of the fellows at the Foreign Ministries of the respective countries was not examined thoroughly. The week spent in the European capitals was more of a 'meetings programme' than - as originally envisaged - 'further training.' Due to the expectations raised on the part of the participants (a *training* programme in which would give them an insight in the practical work of a desk officer), the actual programme left behind a certain amount of disappointment. The *purpose* of the field trip needs to be much more clearly defined next time, with an emphasis on the educational element of such a visit.

The planning of the field trip should be made in the context of the seminar programme itself. There should be early coordination with partner institutes which should be asked to submit a programme for the fellows prior to their departure so that certain items can be discussed/altered/improved and clarified. The participants selected for the field trip could be more involved in setting up a programme: they should be given the possibility to identify/indicate their individual interests, for example in accordance with their own professional background, or specific fields of interest arising from the seminar itself. The involvement of former PASSIA fellow(s) could also be considered for the preparation/coordination of such a field trip next time.

The preparation for such a programme should be made either in liaison with the EU's Visitor's Service as far as arrangements for security entrances etc. are concerned, while meetings should be directly arranged with the concerned departments/ officials; this would also enable the provision of the speakers with an adequate background of the group. Another option is that PASSIA, jointly with selected partner institutions (e.g. RIIA, Clingendael, and FES-Brussels), will consult about the field trip prior to the seminar while the details could be finalised during the seminar, ensuring that a member of each partner institute is lecturing at the seminar.

NATO:

The meeting at NATO was professionally organised with a detailed programme being handed out to the participants upon arrival. That this was the first visit by a Palestinian delegation was repeatedly stressed by NATO staff. The officials met were very interested to meet Palestinians, especially since NATO has just started a dialogue programme with non-NATO states. The group was treated as an official diplomatic delegation. NATO should be definitely utilised to a greater extent in the future, also for lecturers for seminars.

PASSIA SEMINAR 1995

THE EUROPEAN UNION

Appendices

	AUSTRIA	BELGIUM	DENMARK	FINLAND	FRANCE
GEOGRAPHY	83,855 (landlocked) none	30,518 64 (North Sea) none	43,000 (over 400 islands) ^b 3,379 Rockall continental shelf dispute with Iceland & Ireland; dispute with Norway over maritime boundary near Greenland.	337,030 1,126 (Baltic Sea) none	547,030 (incl. Corsica) 3,427 (North Atlantic, Medit. Sea) on various islands with Madagascar, Mauritius, Comoros, Seychelles, Suriname & Mexico; maritime boundary dispute with Canada
POPULATION	7,937,000 0.7 / 1.6 72 (men)/79,4 (women)(1993) 7 85% Rom-Cath., 6% Protestant, 9% Other German 1%	10,061,000 0.3 / 1.6 76 9 75% Rom-Cath., 25% Protestant or Other 58% Dutch (Flemish), 33% French, 0.6% German 1%	5,191,000 0.2 / 1.8 75 7 91% Evang.-Luth. Danish, Faroese, Greenlandic 1%	5,072,000 0.4 / 1.9 76 6 89% Evang.-Luth, 1% Greek-Orthodox, 9% none Finnish (Swedish, Lapp & Russian speaking minorities) --	57,650,000 0.6 / 1.8 77 7 90% Rom.-Cath., 2% Protestant, 1% Jewish, 1% Muslim French (regional dialects, e.g. Breton, Corsican) --
GOVERNMENT	Republik Österreich Federal Republic Vienna 9 states (Bundesländer) 12 Nov. 1918 / 27 April 1945 1920 (revised 1929) 26 October (1955) 19 Pres. Thomas Klestil Chancellor Franz Vranitzki	Royaume de Belgique Constitutional Monarchy Brussels 3 regions, 9 provinces 4 Oct. 1830 (from NL) 7 Feb. 1831 (revised 1988) 21/7 (King's ascension to throne) 18 King Albert II PM Jean-Luc Dehaene	Kongeriget Danmark Constitutional Monarchy Copenhagen 14 counties + capital 1849 5 June 1953 Queen's Birthday (16 Apr.) 21 Queen Margarethe II PM Poul Nyrup Rasmussen	Suomen Tasavalta Republic Helsinki 12 provinces 6 December 1917 (from SU) 17 July 1919 6 Dec. (Independence Day) 18 Pres. Martti Ahtisaari PM Paavo Lipponen	Republique Française Republic Paris 22 regions subdivided to 96 dept. 486 (unified by Clovis) 28 Sept. 1958 (amended 1962/92) 14 July (1789, Taking of the Bastille) 18 President Jacques Chirac PM Alain Juppe
ECONOMY	1 Schilling = 100 Groschen 183,530 23,120 2.8 2.9 (1994) Agriculture 3,3, Industry/Commerce 39,4, Trade/Services 57	1 Franc = 100 centimes 213,435 21,210 2.4 3.1 Agriculture 2, Industry 31, Services 63	1 Danish Krone = 100 re 137,610 26,510 1.1 3.2 Agriculture 4, Exports 37, Investment 15	1 Markkaa = 100 Penia 96,220 18,970 -0.3 4.4 Agriculture 6, Industry 34, Services 59	1 French Franc = 100 Centimes 1,289,235 22,360 1.8 3.0 Agriculture 3, Exports 23, Investment 20
INTERNATIONAL DISPUTES					

a) per 1000 live births

b) Faroe Islands and Greenland are also part of Denmark's realm.

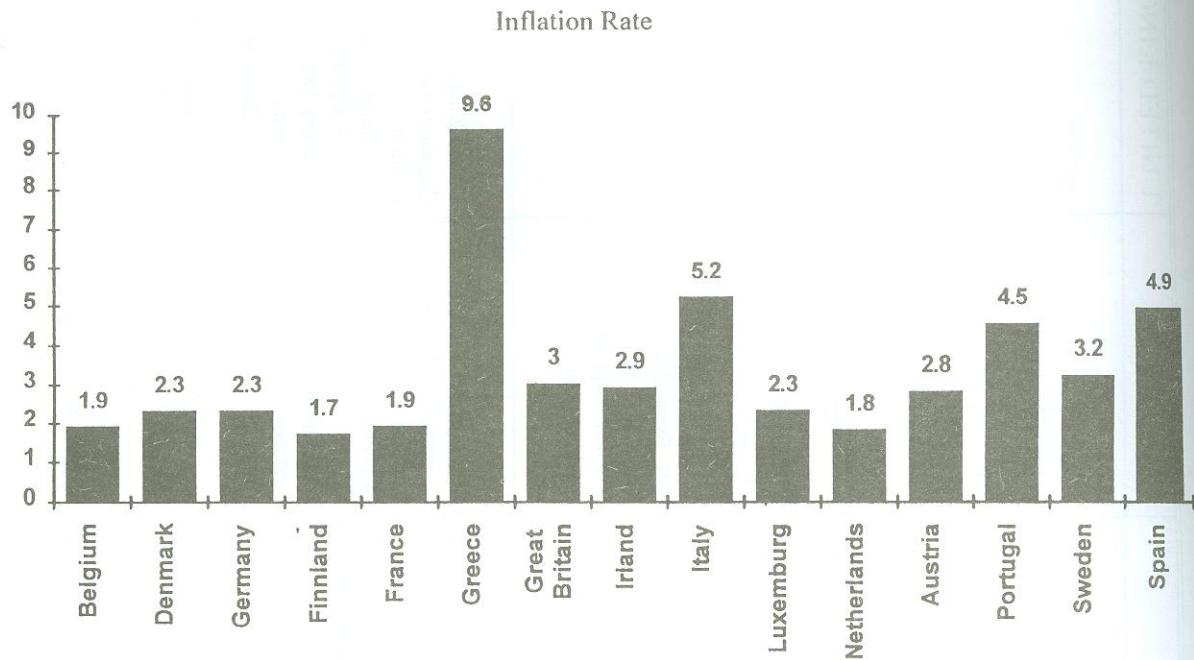
	GERMANY	GREECE	IRELAND	ITALY	LUXEMBOURG
GEOGRAPHY					
• Total Area (Sq. km)	356,910	131,957	70,300	301,230 (incl. Sardinia)	2,856
• Coastline (km)	2,389 (North Sea)	13,676 (Medit./Aegean Sea)	1,448 (North Atlantic)	7,500 (Mediterranean Sea)	(landlocked)
• International Disputes	none	Disputes with Turkey in the Aegean Sea; Cyprus Question; North Epirus Question with Albania, Macedonia Question with Bulgaria and Macedonia	North Ireland-UK question, Rockall Continental Shelf Dispute with Denmark and Iceland	none	none
POPULATION					
• Total	80,769,000	10,376,000	3,569,000	57,840,000	379,000
• Growth / Birth Rate	0.6 / 1.3	0.5 / 1.4	-- / 2.0	0.2 / 0.5	1.0 / 1.7
• Life Expectancy at birth	76	77	78, (men), 72 (women)	74	76
• Infant Mortality Rate ^a	6	8	6,7	8	9
• Religions	45% Protestant, 37% Roman-Cath, 18%	98% Greek-Orthodox, 1.3% Muslim, 0.7% Others	93% Rom-Cath., 3% Anglican, 1% others	100% Roman-Catholic	97% Rom.-Cath., 3% Protestant & Jewish
• Languages	German	Greek	English, Irish (Gaelic)	Italian (French, German & Slovene speaking minorities)	Luxembourgish, German, French
• Illiteracy rate	1%	7%	2%	2%	0%
GOVERNMENT					
• Name	Bundesrepublik Deutschland	Ellimiki Dhimokratia	Republic of Ireland	Repubblica Italiana	Grand-Duche de Luxembourg
• Type	federal republic	presidential parliamentary	Republic	Republic	Constitutional Monarchy
• Capital	Berlin (formerly Bonn)	Athens	Dublin	Rome	Luxembourg
• Administr. Divisions	16 Bundeslaender (states)	52 prefectures	26 Counties	20 regions	3 districts
• Independence	18 January 1871	1829 (from the Ottoman Empire)	6 Dec. 1921 (from UK)	17 March 1861	1839
• Constitution	23 May 1949	11 June 1975	29 Dec. 1937	1 January 1948	17 October 1868
• National Holiday	German Unity Day: 3 Oct. ^b	25 March (Independence)	St. Patrick (17 March)	2 June (Republic's Anniversary)	23 June (Grand Duke's Birthday)
• Suffrage	18	18	18 years of age	18 (Deputy Chamber: 25)	18
• Chief of State	President Roman Herzog	Pres. Konstantinos Stefanopoulos	Pres. Mary Bourke Robinson	Pres. Oscar Luigi Scalfaro	Grand Duke Jean
• Head of Government	Chancellor Helmut Kohl	PM Andreas Papandreu	PM John Burton	PM Lamberto Dini	PM Jacques Santer
ECONOMY					
• Currency	1 Dt. Mark = 100 Pfennige	1 Drachma = 100 Lepta	1 Irish £ = 100 pence	1 Lire = 100 Centesimi	1 Lux. Franc = 100 Centimes
• GNP (mill. US\$, 1993)	1,902,995	76,698	44,906	1,134,980	14,233
• GNP/capita (1993)	23,560	7,390	12,580	19,620	35,850
• Real growth rate	1.9	1.3	4.8	1.9	2.7
• Inflation (Aver. 1985-93)	3.2	16.0	2.3 (1994)	6.5	3.3
• Share of GDP (%)	Agriculture 1, Exports 33, Investment 21	Agriculture 18, 23 Exports, 20 Investment	Agriculture 8, Export 63, Investment 16	Agriculture 3, Exports 20, Investment 19	Agriculture 1, Exports 89, Investment 30

a) per 1000 live births; b) Re-unification of West and East Germany: 15 March 1991.

	NETHERLANDS	PORTUGAL	SPAIN	SWEDEN	UNITED KINGDOM
GEOGRAPHY					
• Total Area (Sq. km)	37,330	92,080 ^b	505,995 ^c	449,964	244,820
• Coastline (km)	451 (North Sea)	1,793 (North Atlantic)	4,992 (North Atlantic/Mediterranean Sea)	3,218 (North & Baltic Sea)	12,429 (North Sea/Atlantic)
• International Disputes	none	Timor Timur (East Timor province) with Indonesia	Gibraltar Question; with UK disputes over sovereign area	none	North Ireland question; Gibraltar with Spain; Falkland/South Georgia & Sandwich Islands with Argentina; Diego Garcia Island with Mauritius; claims in Antarctica
POPULATION					
• Total	15,277,000	11,000,000	39,200,000	8,712,000	58,080,000
• Growth / Birth Rate	0.7 / 1.6	-- / 1.5	1.2 / 1.2	0.6 / 2.1	0.3 / 1.8
• Life Expectancy at birth	77	74	77	78	76
• Infant Mortality Rate ^a	6	9	8	5	7
• Religions	36% Rom-Cath., 27% Protestant, 31% none	97% Rom-Cath., 1% Protestant, 2% others	99% Roman-Catholics	94% Evang-Luth., 1.5% Rom-Cath., 4.5% others	Anglican 27 mill, Rom-Cath. 9 mill, Muslim 1 mill
• Languages	Dutch, Frisian	Portuguese	Castilian Spanish, Catalan, Galician, Basque	Swedish (Lapp- & Finnish speaking minorities)	English, Welsh, Scottish-Gaelic
• Illiteracy rate	1%	15%	5%	1%	1%
GOVERNMENT					
• Name	Koninkrijk de Nederlanden	Republica Portuguesa	Espana	Konungariket Sverige	United Kingdom of Great Britain
• Type	Constitutional Monarchy	Republic	Parliamentary Monarchy	Constitutional Monarchy	Constitutional Monarchy
• Capital	Amsterdam	Lisbon	Madrid	Stockholm	London
• Administr. Divisions	12 provinces	18 districts, 2 autonomous areas ^b	17 autonomous communities, 5 sovereign areas	24 provinces	47 counties, 7 metropolises, 26 districts, 9 regions, 3 island areas
• Independence	1579	25 Apr. 1976 (rev. 1989)	6 Dec. 1978	6 June 1809	1 January 1801
• Constitution	17 February 1983	10 June	12 October	1 January 1975	unwritten
• National Holiday	Queen's Day (30 April)	18	18	6 June (Swedish Flag Day)	Queen's Birthday (2nd Sat.i.June)
• Suffrage	Queen Beatrix Wilhelmina	Pres. Mario A. Soares	King Juan Carlos I	King Carl XVI Gustav	Queen Elizabeth II
• Chief of State	PM Kok	PM Anibal Cavaco Silver	PM Felipe Gonzales	PM Carl Bildt	PM John Major
• Head of Government					
ECONOMY					
• Currency	1 Guilder = 100 cent	1 Escudo = 100 centavos	1 Peseta = 100 Centimos	1 Swed. Krona = 100 Ore	1 British Pound = 100 pence
• GNP (mill. US\$, 1993)	316,404	77,749	533,986	216,294	1,042,700
• GNP/capita (1993)	20,710	7,890	13,650	24,830	17,970
• Real growth rate	2.0	4.7	3.1	0.1	1.3
• Inflation (Aver. 1985-93)	1.3	13.0	6.8	5.3	2.9 (Dec. 1994)
• Share of GDP (%)	Agriculture 4, Exports 52, Investment 21	Agriculture 7, Exports 29, Investment 29	Agriculture 4, Exports 18, Investment 23	Agriculture 2, Exports 28, Investment 17	Agriculture 2, Exports 24, Investment 15

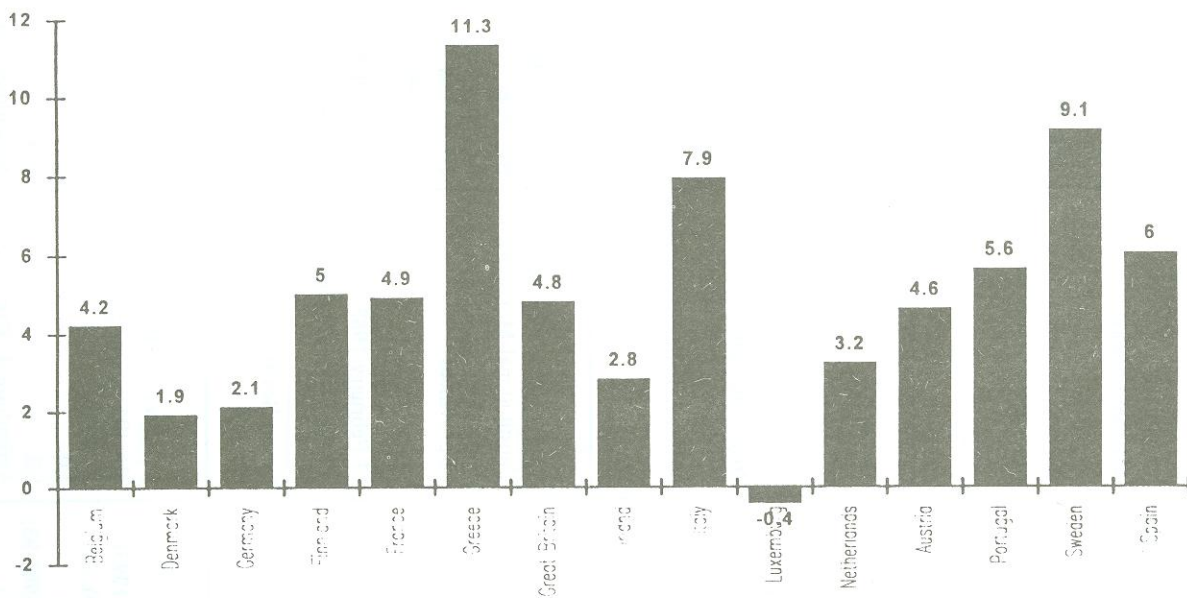
a) per 1000 live births; b) incl. Azores and Madeira Islands; c) incl. Balearic Islands and 5 sovereign areas along the Moroccan Coast: Ceuta, Melilla, Islas Charafinas, Penonde, Alhucemas, Penonde Velezde la Gomera.

**Conditions for participation in the final stage of economic and monetary union
(convergence criteria)**



Price stability: average rate of inflation (over a period of one year) must not exceed by more than one and a half percentage points that of the three best performing Member States.

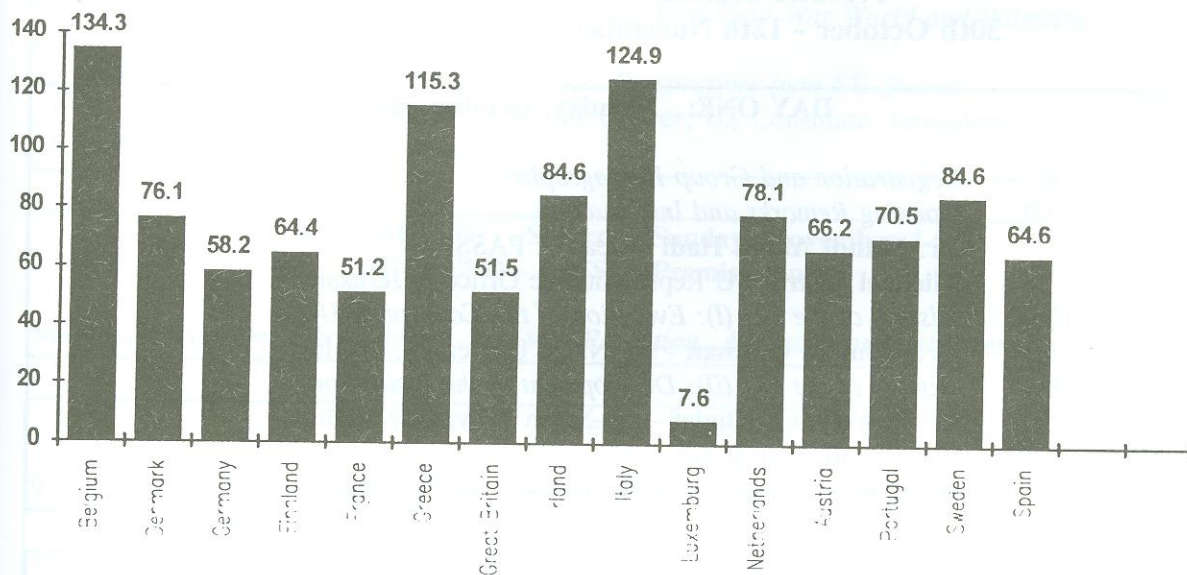
Budget Deficit



Source: EU-Commission, Brussels, 1995.

Public Finance: Budget deficit not more than 3% of gross domestic product

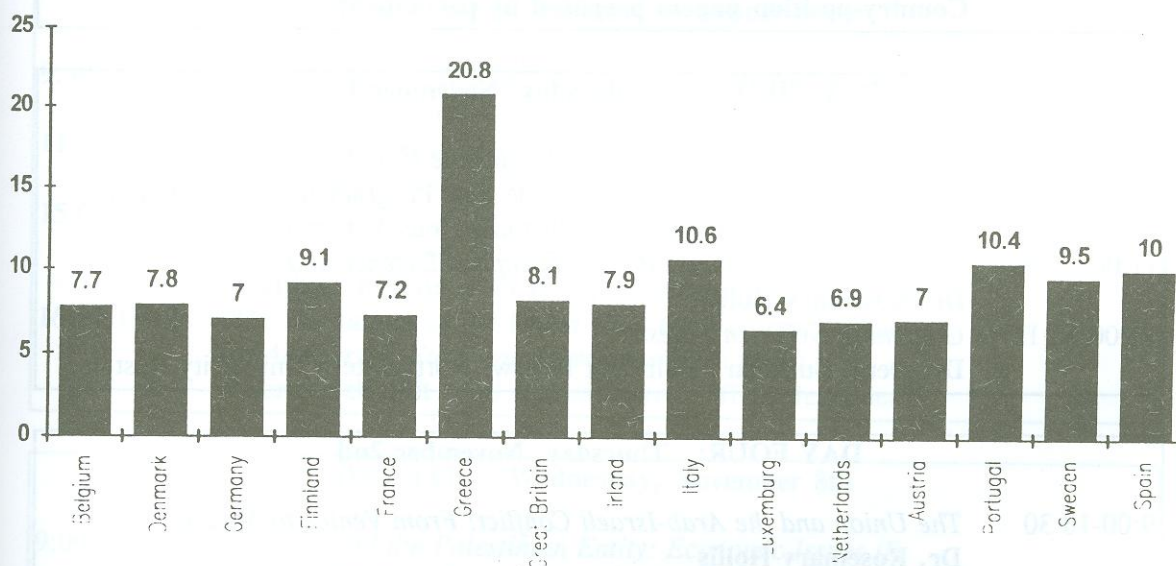
Total Government Debt



Source: EU-Commission, Brussels, 1995.

Public Finance: Total government debt not more than 60% of gross domestic product

Interest Rates



Source: EU-Commission, Brussels, 1995.

Average nominal long-term interest rate (over a period of one year) may not exceed by more than two percentage points that of the three Member States who have the best results in terms of price stability.

* Participation in the EMS for two years without severe fluctuations (exchange rates).

LECTURE PROGRAMME

PASSIA Seminar "The European Union"
30th October - 12th November 1995, PASSIA, Jerusalem

DAY ONE: Monday, October 30th

- | | |
|-------------|--|
| 8:30-9:30 | <i>Registration and Group Photographs</i> |
| 9:30-11:00 | <i>Opening Remarks and Introduction</i>
Dr. Mahdi Abdul Hadi - Head of PASSIA
Michael Bahr - EU Representative Office in Jerusalem |
| 11:30-13:00 | <i>History of the EU (I): Evolution of the Concept of Union</i>
Dr. Othman Othman - An-Najah University, Nablus |
| 15:00-16:15 | <i>History of the EU (II): Development of the Institutions</i>
Dr. Nayef Abu Khalef - An-Najah University, Nablus |
| 16:30-18:00 | <i>The EU Member States</i>
Briefing by the participants on EU member states |

DAY TWO: Tuesday, October 31st

- | | |
|-------------|--|
| 9:00-10:30 | <i>The Treaty of Maastricht: Its Meaning and Implications</i>
Dr. Nayef Abu Khalef - An-Najah University, Nablus |
| 11:00-13:00 | <i>The European Union and the Middle East</i>
Dr. Othman Othman - An-Najah University, Nablus |
| 15:00-18:00 | <i>The National Agendas of the Member States (Interests, powers, influences, approaches to the future)</i>
Country-position papers prepared by participants. |

DAY THREE: Wednesday, November 1st

- | | |
|-------------|--|
| 9:00-10:30 | <i>The European Union: Why Should Palestine Care?</i>
Dr. Rosemary Hollis - Head, Middle East Programme, Royal Institute of International Affairs (RIIA - Chatham House), London |
| 11:00-13:00 | <i>The Union and Common Police: European Defence and Security</i>
Dr. Rosemary Hollis |
| 15:00-16:15 | <i>Governing NGOs in Palestine</i>
Dr. Denis Sullivan - Fulbright Fellow, Northeastern University, Boston |

DAY FOUR: Thursday, November 2nd

- | | |
|-------------|--|
| 9:00-10:30 | <i>The Union and the Arab-Israeli Conflict: From Venice to Madrid</i>
Dr. Rosemary Hollis |
| 11:00-13:00 | <i>After Madrid: The EU and the Peace Process</i>
Dr. Rosemary Hollis |
| 15:00-18:00 | <i>The Mediterranean Partnership Programme; followed by a discussion</i>
Dr. Rosemary Hollis |

DAY FIVE: Friday, November 3rd

- 9:00-10:30 *The Single Market: Economic and Monetary Union*
Dr. Andrae Gaerber - Friedrich Ebert Foundation, Jerusalem.
- 11:00-13:00 *The New Economic Agenda in the Post Cold War World and Palestine.*
Dr. Rosemary Hollis
- 15:00-16:15 *Dealing with the EU: External Perspectives (non-EU States)*
Paul R. Sutphin - Economic Officer, US Consulate, Jerusalem
- 16:30-18:00 *Questions/Discussion*

DAY SIX & SEVEN: Saturday/Sunday, November 4-5th
WEEKEND - PASSIA Premises open

Sunday, November 5th: 19:00 PASSIA Reception, Ambassador Hotel, Jerusalem

DAY EIGHT: Monday, November 6th

- 9:00-10:30 *Europe and the Arab Israeli Conflict - A General Introduction*
Dr. Mahdi Abdul Hadi
- 11:00-13:00 *EU Member States and the Arab-Israeli Conflict*
Participants
- 15:00-16:15 *EU Member States and the Arab-Israeli Conflict*
With: Martin Kobler - Head, German Representative Office, Jericho
David Haines - British Consulate General, Jerusalem
Marc A. Schwarz - Representative, SIRECOX
- 16:30-18:00 *The Assassination of Yitzhaq Rabin; Discussion with Said Abu Rish*

DAY NINE: Tuesday, November 6th

- 9:30-10:30 *The Union and the Peace Process since Madrid*
Bettina Muscheidt - EU Representative Office, Jerusalem
- 11:00-13:00 *The Institutions of the Union (I): Council, Commission & Parliament*
Fernand Clement - EU Representative Office, Jerusalem
- 15:00-16:15 *The Institutions of the Union (II): Internal Relations - A Case Study (Palestinian Aid Programme)*
Matthias Burchard - EU Representative Office, Jerusalem
- 16:30-18:00 *The Institutions of the Union (III): Others: Court of Justice, Court of Auditors & European Investment Bank (EIB)*
Soeren Schmidt - EU Representative Office, Jerusalem

DAY TEN: Wednesday, November 8th

- 9:00-13:00 *The EU and the Palestinian Entity: Economic Issues (I)*
Hanna Siniora - Head, European-Palestinian Chamber of Commerce
Veronique Peaucelle - Commercial Counsellor, French Consulate
- 15:00-16:15 *The EU and the Palestinian Entity (III): Final Status Issues*
Dr. Sami Musallam - Director, President's Office, Jericho

DAY ELEVEN: Thursday, November 9th
DAY OFF - PASSIA premises open

DAY TWELVE: Friday, November 10th

- 9:00-10:30 *Introduction to International Negotiation*
Dr. Paul Meerts - Clingendael Institute, The Hague
- 11:30-13:00 *Negotiating: Strategy & Tactics, Skills & Styles*
Dr. Paul Meerts
- 15:00-16:15 *Bilateral Negotiation in the European Union (Introduction & Exercise)*
Dr. Paul Meerts
- 16:30-18:00 *Multilateral Negotiation in the European Union*
(Evening Assignment: Prepare for Individual Interventions Next Day)
Dr. Paul Meerts

DAY THIRTEEN: Saturday, November 11th

- 9:00-10:30 *Simulation: Meeting of 'Permanent Representatives' to the EU*
(Statements prepared by participants the previous evening)
Dr. Paul Meerts
- 11:00-13:00 *Working Groups on Internal & External Issues of the EU*
(European Monetary Union, Institutional Reform, Enlargement of the EU)
- 15:00-16:15 *Working Groups on Internal & External Issues of the EU / contd.*
(Final Document)
- 16:30-18:00 *Drafting & Debriefing*
Dr. Paul Meerts

LECTURERS

DR. ROSEMARY HOLLIS

Head of the Middle East Programme at the Royal Institute for International Affairs (RIIA) "Chatham House" in London. Previously, head of the Middle East Programme at the Royal United Services Institute for Defence Studies (RUSI) specialising in regional security issues. Lectured in Political Science at George Washington University; doctorate and thesis on an analysis and case study of Britain's adaption to decline, examined the evolution of Britain's relations with selected Gulf states from 1965 to 1985). M.A. in War Studies from King's College, London; research in Syria, Jordan, Egypt, Tunisia, Palestine, Israel, Saudi Arabia and Bahrain. Publications/presentations to military, academic and business audiences, focus on Middle East security issues; most recent publications include: *"Israeli-European Relations in the 1990s"*, in Efraim Karsh & Gregory Mahler, *Israel at the Crossroads: The Challenge of Peace* (British Academic Press, London, 1994). *The Soviets, Their Successors and the Middle East* Macmillan 1993 (Editor); *"Whatever Happened to the Damascus Declaration? Evolving Security Structures in the Gulf"*, Dept. of International Politics, University College of Wales, 1993; *"What Price Renewed Conflict in the Middle East?"* RUSI Journal Oct. 1992.

DR. MAHDI ABDUL HADI

President & founder of PASSIA; B.A.Law, Damascus University; Ph.D. Bradford University UK; member of various Palestinian bodies including the Jerusalem Arab Council, the Independent Palestinian Group for Elections in the Occupied Territories, and formerly, the Palestinian Delegation to the Middle East Peace Negotiations, Multilateral Working Group on Refugees. Closely involved with a variety of international institutions: fellow of the Center for International Affairs, Harvard University, 1985; fellow of the Salzburg International Seminar, 1986; currently, member of the Black Sea University Foundation, Bucharest. Formerly Editor of *Al Fajr*, and General Secretary of Council for Higher Education in the West Bank; founder of the Arab Thought Forum in Jerusalem; special adviser to the Ministry of Occupied Land Affairs, Amman, 1985-86. His publications include: *Post Gulf War Assessment: A Palestinian Perspective* (1991); *Jordanian Disengagement: Causes and Effects* (1988); *Notes on Palestinian Israeli Meetings in the Occupied Territories* (1987); and *Israel's Policies and Practices in Jerusalem* (1985).

DR. PAUL W. MEERTS

Political Scientist (Universities of Amsterdam & Leyden); Deputy Director of the Netherlands Institute of International Relations 'Clingendael' (since 1990); formerly, researcher at the Universities of Groningen (1974-1975) & Leyden (1975-1978) and Tutor of the Course on International Relations (training of junior Dutch diplomats) at the Netherlands Society of International Affairs (1978-1983); from 1983-1989, Head of the Training and Education Department of the 'Clingendael' Institute. Since 1990, Trainer in diplomatic negotiations at (1) Diplomatic Academies or Ministries of Foreign Affairs (e.g. Addis Ababa, Bonn, Hanoi, Kuala Lumpur, Madrid, Mexico, Singapore, Ulan Bator); (2) Military Colleges (e.g. Rome, Budapest, Warsaw); (3) Administrative Colleges (e.g. Hyderabad, Riga); (4) Universities (e.g. Oxford, Groningen, Maastricht, Moscow); (5) International Institutes (e.g. Jakarta, Bucharest); (6) International Organisations. Consultant in diplomatic training for UNDP/UNITAR and Diplomatic Academies; Rapporteur of the annual meetings of 'Directors of

Diplomatic Academies and Institutes of International Relations'. Member of the editorial board of *'Negotiation Magazine'*. Publications (in English) include: *'Diplomatic Games'* (1989); *'Training the Negotiator'* (1990); *'A Short Guide to Diplomatic Training'* (1991); *'Simulating International Negotiations'* (1992); *'Simulating Topical Diplomatic Negotiations'* (1993). He is author of bi-/multilateral exercises (e.g. on UN/IMF/EU/NATO).

DR. OTHMAN OTHMAN

Assistant Professor of Political Science,
An-Najah National University, Nablus.

DR. NAYEF ABU KHALAF

Assistant Professor of Political Science at
An-Najah National University, Nablus.
Studies at the University of Jordan and the
University of North Eastern Illinois.
Ph.D., Dept. of Peace Studies, Bradford
University, U.K. (1986). Main research
interest is the policy of the EU and its
member states towards the Middle East.
Author of *The European Community and
the International Peace Conference on the
Middle East* (Jerusalem: PASSIA, 1989).

MR. DENIS J. SULLIVAN

Associate Professor of Political Science,
Northeastern University, Boston.

DR. ANDRAE GAERBER

Friedrich Ebert Stiftung (FES), Jerusalem.

MR. PAUL R. SUTPHIN

Economic Officer, Consulate General of
the United States, Jerusalem.

MR. MARTIN KOBLER

Head, Representative Office of the Federal
Republic of Germany, Jericho.

MR. DAVID HAINES

British Consulate General, Jerusalem.

MR. MATTHIAS BURCHARD

EU Representative Office, Jerusalem.

MS. BETTINA MUSCHEIDT

EU Representative Office, Jerusalem.

MR. FERNAND CLEMENT

EU Representative Office, Jerusalem.

MR. SOEREN SCHMIDT

EU Representative Office, Jerusalem.

MR. HANNA SINIORA

Head, European-Palestinian Chamber of
Commerce, Jerusalem.

MRS. VERONIQUE PEAUCELLE

Commercial Counsellor, French Consulate
General, Jerusalem.

DR. SAMI MUSALLAM

Director-General, President's Office,
Jericho.

PALESTINIAN PARTICIPANTS¹

Abu-Yousef, Sagida Tarek

*1968, Jerusalem; living and working in Ramallah. Tel: 02-9955695 (h.)

U: Diploma English, Ummah College; B.A. Law, Beirut University.

P: Lawyer in Training, Appeal Court, Ramallah; previously Executive Secretary, Bir Zeit University (meanwhile Deputy PR Director, Ministry of Interior, Ramallah)

C: Greece

W: *The Legal Framework for EU-Palestine Relations.*

Ashhab, Allam Mahfouz

*1966, Nablus; living and working in Hebron. Tel: 02-9920054 / Fax: 02-9920150

U: B.A. Economics, Yarmouk University, Jordan.

P: ICRC Field Officer, Hebron; previously PR Officer, Red Crescent Society, Hebron.

C: Sweden

W: *European Development Aid in Palestine*

Al-Ayoubi, Ayman Sami

*1969, Jerusalem; living and working in Jerusalem. Tel: 02-271522 (w)

U: B.S. Management Information Systems, University of Oklahoma, USA.

P: Manager, Ayoubi's Sweets, Old City of Jerusalem.

C: Denmark

W: *Europe: The Origins and Evolution of the Quest for Union.*

Barakat, Hitaf Taleb

*1962, Jerusalem; living and working in Jerusalem. Tel: 02-890460 (w) / Fax: 02-322714

U: B.A./Diploma, Middle East Studies & Political Science, Bir Zeit University.

P: Radio/Telex Operator, UNRWA Field Office, Jerusalem; previously Legal and Research Assistance and Public Relations, UNRWA; Administrative Assistant - Registration / Admission, Bir Zeit University, and Translator, Al-Quds Newspaper.

C: Italy

W: *The Objectives of the Maastricht Treaty.*

Bitar, Hania

*1967, Amman/Jordan; living and working in Jerusalem. Tel: 02-894883 / Fax: 02-894975

U: BA English Literature and Translation, Bethlehem University; MA English-American Literature, Catholic University of America.

P: Business Manager, The Jerusalem Times, Jerusalem; previously Instructor of English, Bethlehem University, and Translator, Al-Masdar.

C: Finland

W: *Monetary Union, the CFSP and Common Defence.*

¹ Two of the selected participants did not attend the seminar (thus, only 13 are listed).

Abbreviations:

U=University Education P=Profession C=Country paper W=2nd Writing Assignment

Dajani, Rula Mohammed

- *1964, Damascus; living and working in Jerusalem. Tel: 02-282990 (w) / Fax: 02-282869
 U: BA English Literature, Bir Zeit University; M.P.A. (Public Administration) International Management, George Mason University, USA.
 P: Special Assistant/Senior Manager, the Palestinian Independent Commission for Citizen's Rights; previously Sales Manager, Ramada Renaissance Hotel, Virginia, & Fund Raising Director, the Jerusalem Fund, Washington, D.C. (meanwhile Director of the Office of CM Hanan Ashrawi)
 C: Ireland
 W: *Key Issues Facing the EU Member States - An Overview.*

Da'na, Adli Mohammed Rajeh

- *1966, Hebron; living in Hebron and working in Bir Zeit. Tel: 02-9982059 / Fax: 02-9957656
 U: B.A. Biology, Bir Zeit University.
 P: Administrative Assistant & Visiting Groups Coordinator, Public Relations Department, Bir Zeit University; previously West Bank Director & PR, Sirecox/Schwarz, Gaza, & PR Director, Al-Najah Cultural Center, Hebron.
 C: Spain
 W: *Integration: The EU as a Model for the Near East.*

Habash, Labibeh (Lily) Elias

- *1968, Jerusalem; living in Ramallah, working in Dahiet al-Barid. Tel: 02-5747040
 U: B.A. Political Philosophy, American College of Greece, Deree; Diploma of Higher Specialised Studies, International Relations & Development Studies, International Institute for Public Administration, Paris.
 P: Officer, European Union Desk, PECDAR; previously Cultural Studies Teacher, YWCA, Jerusalem, and Librarian/Director's Assistant, French Cultural Center, (meanwhile Director, International Economic Relations Dept., PA Economy Ministry).
 C: France
 W: *Europe's Contribution for Peace Making in the Middle East.*

Jaloudi, Bashar Nasri

- *1968, Faqoaa; living and working in Jenin. Tel: 02-9921303 / Fax: 02-9922661
 U: B.A. Journalism/Public Administration, Mysore, India; M.A. Commonwealth Literature, Mysore, India; Ph.D./First Year, Literature, Jaipur, India.
 P: Journalist, Al-Aqsa Newspaper, Jericho; previously Journalist, Jenin Establishment, and Teatur, Al-Farabi Cultural Center, Jenin.
 C: Portugal
 W: *What Role Does the EU Play in Palestine?*

Kaprielian, Maral Souren

- *1968, Jerusalem; living and working in Jerusalem. Tel: 02-281617 / Fax: 02-281620
 U: BA. Political Science and English Linguistics, Hebrew University, Jerusalem
 P: Senior Clerk, European Commission, Jerusalem; previously Executive Secretary, Caritas, Jerusalem
 C: Belgium
 W: *The EU Role in Shaping the Future Palestinian Economy.*

Martha, Samar Mounir

*1968, Jerusalem; living and working in Ramallah. Tel: 02-9986205/6 / Fax: 02-9986204

U: B.A. Science/Marketing Management, American College of Greece, Deree College.

P: Coordinator, International Relations Department, PA Ministry of Culture; previously PR Officer, PARC, and Teacher Development Center, Ramallah.

C: Austria

W: *EU Relations With the Palestinians.*

El-Masri, Anwar Nimer

*1964, Gaza; living in Beit Hanoun, working in Gaza City. Tel: 07-822660 / Fax: 07-821765.

U: B.A. Sociology, Bir Zeit University; M.Sc. Development Administration, Birmingham University, U.K.

P: Relief Programme Officer, UNRWA; previously Social Worker, UNRWA.

C: Netherlands

Zaqout, Ina'm Awad

*1965, Gaza; living in Abu Dis, working in Jerusalem. Tel: 02-890460 / Fax: 02-322842

U: B.A. Economics, Bir Zeit University.

P: Radio Operator, UNRWA, Jerusalem; previously UNRWA Refugee Affairs Assistant; Reporter, Cyprus Press, Nicosia/Cyprus; Sales-Manager, El Baida'a Co., Amman, Jordan.

C: United Kingdom

W: *The EU and Palestinian Refugees in the West Bank and Gaza Strip: Financial and Political Support.*

READING MATERIAL

Preparatory and Further Reading Material (***) distributed during the seminar)

Amin, Samir. "Europe and the Mediterranean South." In: Samir Amin. *Strategic Issues in the Mediterranean*. Beirut, 1992: 68-78. (In Arabic)***

Aurisch, Klaus. "The Art of Preparing a Multilateral Conference." *Negotiation Journal* (July 1989).

Bal, Leendert Jan. *Decision-Making and Negotiations in the European Union*. Diplomatic Studies No.7, Discussion Papers Diplomacy, University of Leicester, Dept. of Politics, July 1995, pp. 16.***

D'Alancon, Francois. "The EC Looks to a New Middle East." *Journal of Palestine Studies* XXIII, no. 2 (Winter 1994): 41-51.

Dilemmas of European Integration. A Practical Exercise. Netherlands Institute of International Relations 'Clingendael', May 1995. Pp. 16.***

European Union. European Documentation Series. Brussels: European Communities, 1994. Pp. 56.

Fisher, Roger. "Negotiating Inside Out: What Are the Best Ways to Relate Internal Negotiations with External Ones?" *Negotiation Journal* (January 1989): 33-41.

Fontaine, Pascal. *Europe in Ten Lessons*. European Documentation Series. Brussels: Office for Official Publications of the European Communities, 1995. Pp. 48.

Goodfield Institute. *Twenty Do's and Don't in Non Verbal Behaviour*. Paper, pp. 6.

Hofstede, Geert. "Cultural Dimensions in Management and Planning." *Asia Pacific Journal of Management* (January 1984), Pp. 22.

Kuechle, David. *Pacific Oil Company - A Case Study*. Lausanne: International Management Development Institute (IMEDE), 1985. Pp. 28.

Mastenbroek, Willem. "The Development of Negotiating Skills." *International Negotiation: Analysis - Approaches - Issues*. Laxenburg: International Institute for Applied Systems Analysis, 1990. Pp. 30.

Meerts, Paul. *Negotiating in the European Union*, Diplomatic Studies Programme No. 4, Discussion Papers Diplomacy, University of Leicester, Department of Politics, April 1995, pp. 20.***

Pendergast, William R. "Managing the Negotiation Agenda." *Negotiation Journal* (Apr. 1990):135-45.

Revision of Maastricht - Implementation and Proposals for Reform. A Survey of National Views. The Hague: Netherlands Institute of International Relations, 'Clingendael', February 1995. Pp. 37.

The Single Market. European Documentation Series. Brussels: Office for Official Publications of the European Communities, 1995. Pp. 44.

Touval, Sadia. "Multilateral Negotiation: An Analytical Approach." *Negotiation Journal* (April 1989).

Workbook on International Negotiation. 'Clingendael'; Pp. 60.***

DOCUMENTS

(1) THE VENICE DECLARATION, JUNE 13, 1980

1. The Heads of State and Government and the Ministers of Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.
2. The nine member states of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.
3. In this regard, the nine countries of the Community base on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as the speech made on their behalf on 25 September 1979 by the Irish Minister of Foreign Affairs at the 34th United Nations General Assembly.
4. On the bases thus set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community; the right to existence and to security of all the States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.
5. All of the countries in the area are entitled to live in peace within secure, recognized and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the UN by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate, within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including guarantees on the ground.
6. A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully their right to self-determination.
7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles apply to all the parties concerned, and thus the Palestinian people, and the PLO, which will have to be associated with the negotiations.
8. The Nine recognize the special importance of the role played by the question of Jerusalem for all parties concerned. They stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.
9. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of the Sinai. They are deeply convinced that Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.
10. Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for comprehensive settlement of the conflict in the Middle East.

11. The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which such an initiative on their part could take.

(2) EEC DECLARATION ON PNC ALGIERS DECISION, 21 NOVEMBER 1988

The Twelve attached particular importance to the decisions adopted by the Palestinian National Council at Algiers which reflect the will of the Palestinian people to assert their National identity and which include positive steps toward the peaceful settlement of the Arab-Israeli conflict.

They welcome in this respect the acceptance by the PNC of Security Council Resolutions 242 and 338 as a basis for an international conference, which implies acceptance of the right of existence and of security of all the states of the region, including Israel. Respect for this principle goes together with that of justice for the people of the region, in particular the right to self-determination of the Palestinian people with all this implies. For the Twelve it constitutes a necessary condition for the establishment of a just, lasting and comprehensive peace in the Near East, as they have repeatedly asserted since the Declaration of Venice. The Twelve also express their satisfaction that the PNC has explicitly condemned terrorism.

The Twelve appeal to all the parties concerned, while abstaining from any act of violence and any action which could further aggravate the tense situation in the Near East, to take this opportunity and contribute to the peace process in a positive way with a view a just, global and lasting solution to the Arab-Israeli conflict. This solution can only be achieved through an international peace conference, under the auspices of the UN, which presents the suitable framework for the necessary negotiations between the parties directly concerned.

The Twelve are deeply concerned by the deterioration of the situation in the Occupied Territories and the increasing feeling of disappointment and desperation among the population of those territories which might become worse if there is no prospect of a negotiated solution.

They reiterate their commitment to participate actively in all efforts contributing to a negotiated solution.

(3) EU DECISION ON THE MIDDLE EAST PEACE PROCESS, LUXEMBOURG, 19TH APRIL 1994

[The following decision was adopted on the basis of Article J(3) of the Treaty on European Union].

THE COUNCIL OF THE EUROPEAN UNION,

*Having regard to the Treaty on European Union and in particular Articles J(3) and J(11) thereof,
Having regard to the general guidelines issued by the European Council of 29 October 1993,
Having regard to the framework for joint action agreed by the European Council on 10 and 11 December 1993,
Considering Article C of the Treaty on European Union,*

HAS DECIDED AS FOLLOW:

Article 1

(a) The European Union, in order to work for the conclusion of a comprehensive peace in the Middle East based on the relevant United Nations Security Council resolutions, will:
- participate in international arrangements agreed by the parties to guarantee peace in the context of the process begun in Madrid,

- use its influence to encourage all the parties to support the peace process unconditionally on the basis of the invitations to the Madrid Conference and work for the strengthening of democracy and respect for human rights,
- make its contribution to defining the future shape of relations between the regional parties in the context of the Arms Control and Regional Security Working Group.

(b) The European Union will:

- develop its role in the ad hoc Liaison Committee responsible for the coordination of international aid to the occupied territories,
- maintain its leading role in the Regional Economic Development Working Group (REDWG) and develop its participation in other multilateral groups,
- consider additional ways in which it might contribute towards the development of the region.

(c) The European Union will:

- pursue confidence-building measures which it has submitted to the parties,
- pursue *demarches* to the Arab States with the aim of securing an end to the boycott of Israel,
- closely follow the future of Israeli settlements throughout the occupied territories and pursue *demarches* to Israel about this issue.

Article 2

In accordance with the relevant EC procedures the Council will examine proposals that the Commission will make:

- for the rapid implementation of programmes of assistance for the development of the occupied territories and a Palestinian operating budget, in close consultation with the Palestinians and equally close coordination with other donors,
- to provide aid in the framework of existing guidelines to the other parties to the bilateral negotiations as they progress substantially towards peace.

Article 3

In order to contribute actively and urgently to the creation of a Palestinian Police Force:

- (a) The European Union will provide assistance.
- (b) The Presidency in close cooperation with the Commission will facilitate coordination through an exchange of information between member States on their bilateral assistance.
- (c) Funds for a maximum amount of ECU 10 million available from the Community budget will be used as a matter of urgency for the provision of assistance for the creation of a Palestinian Police Force.

Article 4

The European Union will, at the request of the parties, participate in the protection of the Palestinian people through a temporary presence in the occupied territories, as called for in Security Council resolution 904 (1994). Operational arrangements and financing arising from this article will be the subject of a separate and specific Council decision.

Article 5

At the request of the parties, the EU will implement a coordinated programme of assistance in preparing for and observing the elections in the occupied territories foreshadowed by the Declaration of Principles of 13 September 1993. Precise operational arrangements and financing will be the subject of separate Council decision once agreement has been reached between Israel and the PLO on arrangements for the elections. The European Parliament will be invited to participate in those arrangements.

Article 6

The European Union confirms its willingness to take further operational decisions in the field of this joint action, in accordance with developments in the peace process.

Article 7

This Decision shall take effect on today's date.

**(4) EU COUNCIL REGULATION ON FINANCIAL AND TECHNICAL COOPERATION
WITH THE OCCUPIED TERRITORIES (EC), NO. 1734, JULY 11, 1994**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission,

Acting in accordance with the procedure referred to in Article 189c of the Treaty,

Whereas, having regard to the greater requirements that will be generated in the territories of the West Bank of the Jordan and the Gaza Strip, hereinafter referred to as the 'Occupied Territories', as a result of recent developments in the Middle East peace process, new measures in the form of economic and social cooperation should be implemented in the said Territories in order to foster sustainable economic and social development, taking account of the experience acquired by the Community as a major provider of aid to the Palestinian people;

Whereas to this end there should be a five-year programme (1994 to 1998); whereas this programme should be implemented with financing from the Community budget in the form of grants;

Whereas it is necessary to lay down the detailed arrangements and rules for administering the operations financed from the budget,

HAS ADOPTED THIS REGULATION:

Article 1

The Community shall implement financial and technical cooperation with the Occupied Territories under a five-year programme (1994 to 1998) with the aim of aiding their sustainable economic and social development.

Article 2

1. The priority areas for projects and measures implemented under the programme referred to in Article 1 shall be: infrastructure, production, urban and rural development, education, health, the environment, services, foreign trade, the setting up and improvement of institutions necessary for the proper working of the public administration and the advancement of democracy and human rights.

2. Community aid may be given for investment projects, feasibility studies, technical assistance and training.

3. Community financing for projects and operations covered by this Regulation shall be in form of grants.

4. In order to ensure consistency of cooperation and to improve complementary between operations, Member States, the Commission and the European Investment Bank, hereafter referred to as the 'Bank', shall exchange any relevant information on financing that they envisage granting.

Possibilities for co-financing shall be sought when information is exchanged.

5. Members, the Commission and the bank shall also communicate, within the framework of the Committee referred to in Article 5, information in their possession on other bilateral and multilateral aid for the Occupied Territories.

6. At least once a year, the Commission and the Bank shall send the Member States the information collected from the administration of the Occupied Territories concerning the sectors and projects already known which could be supported under this Regulation.

Article 3

The aid referred to in this Regulation may be combined with the Bank financing from own resources and may be used for co-financing with Member States, non-member countries in the region, multilateral bodies or the Occupied Territories themselves. Wherever possible, the Community nature of the aid shall be preserved.

Article 4

1. Financing decisions on projects and operations under this Regulation shall be adopted in accordance with the procedure laid down in Article 5.

2. Financing decisions on overall allocations for technical cooperation, training and trade promotion shall be adopted in accordance with the procedures laid down in Article 5. The Commission shall keep the Committee referred to in Article 5 regularly informed on the use made of these overall allocations.

3. Decisions amending decisions adopted in accordance with the procedure provided for in Article 5 shall be taken

by the Commission where they do not entail any substantial amendments or additional commitments in excess of 20% of the original commitment.

Article 5

1. The Commission shall be assisted by the MED Committee set up pursuant to Article 6 of Council Regulation (EEC) No. 1762/92 of 29 June 1992 on the implementation of the Protocols on financial and technical cooperation concluded by the Community with Mediterranean non-member countries.
2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of the decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.
3. a) The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee
b) if the measures envisaged are not in accordance with the opinion of the Committee or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

Article 6

1. The Commission shall take stock of the implementation of cooperation pursuant to this Regulation and report to the European Parliament and the Council once a year.
2. The Commission shall evaluate the main projects completed in order to establish whether the objectives fixed during the appraisal of these projects have been achieved and to establish guidelines for making future aid more effective. These evaluation reports shall be sent to the Member States and to the European Parliament.

Article 7

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*. This Regulation shall be binding in its entirety and directly applicable in all Member States.

(5) BARCELONA DECLARATION, ADOPTED AT THE EURO-MEDITERRANEAN CONFERENCE, BARCELONA, 27-28 NOVEMBER 1995

The Council of the European Union, represented by its President, Mr. Javier SOLANA, Foreign Minister of Spain,
The European Commission, represented by Mr. Manuel MARIN, Vice-President,
Germany, represented by Mr. Klaus KINKEL, Vice-Chancellor and Minister for Foreign Affairs,
Algeria, represented by Mr. Mohammed Salah DEMBRI, Minister for Foreign Affairs,
Austria, represented by Mrs. Benita FERRERO-WALDNER, State Secretary, Ministry of Foreign Affairs,
Belgium, represented by Mr. Erik DERYCKE, Minister for Foreign Affairs,
Cyprus, represented by Mr. Alecos MICHAELIDES, Minister for Foreign Affairs,
Denmark, represented by Mr. Ole Loensmann POULSEN, State Secretary, Ministry of Foreign Affairs,
Egypt, represented by Mr. Amr MOUSSA, Minister of for Foreign Affairs,
Spain, represented by Mr. Carlos WESTENDORP, State Secretary for Relations with the European Community,
Finland, represented by Mrs. Tarja HALONEN, Minister for Foreign Affairs,
France, represented by Mr. Herve de CHARENTE, Minister for Foreign Affairs,
Greece, represented by Mr. Karolos PAPOULIAS, Minister for Foreign Affairs,
Ireland, represented by Mr. Dick SPRING, Deputy Prime Minister and Minister for Foreign Affairs,
Israel, represented by Mr. Ehud BARAK, Minister for Foreign Affairs,
Italy, represented by Mrs. Susanna AGNELLI, Minister for Foreign Affairs,
Jordan, represented by Mr. Abdel-Karim KABARITI, Minister for Foreign Affairs,
Lebanon, represented by Mr. Fares BOUEZ, Minister for Foreign Affairs,
Luxembourg, represented by Mr. Jacques F. POOS, Deputy Prime Minister/Foreign Minister (Trade & Cooperation)

Malta, represented by Prof. Guido DE MARCO, Deputy Prime Minister and Minister for Foreign Affairs,
Morocco, represented by Mr. Abdellatif FILALI, Prime Minister and Minister for Foreign Affairs,
The Netherlands, represented by Mr. Hans van MIERLO, Deputy Prime Minister and Minister for Foreign Affairs,
Portugal, represented by Mr. Jaime GAMA, Minister for Foreign Affairs,
The United Kingdom, represented by Mr. Malcolm RIFKIND QC MP, Secretary of State for Foreign and Commonwealth Affairs,
Syria, represented by Mr. Farouk AL-SHARAA, Minister for Foreign Affairs,
Sweden, represented by Mrs. Lena HJELM-WALLEN, Minister for Foreign Affairs,
Tunisia, represented by Mr. Habib Ben YAHIA, Minister for Foreign Affairs,
Turkey, represented by Mr. Deniz BAYKAL, Deputy Prime Minister and Minister for Foreign Affairs,
The Palestinian Authority, represented by Mr. Yassir ARAFAT, President of the Palestinian Authority,

taking part in the Euro-Mediterranean Conference in Barcelona:

- *stressing* the strategic importance of the Mediterranean and moved by the will to give their future relations a new dimension, based on comprehensive cooperation and solidarity, in keeping with the privileged nature of the links forged by neighbourhood and history;
- *aware* that the new political, economic and social issues on both sides of the Mediterranean constitute common challenges calling for a coordinated overall response;
- *resolved* to establish to that end a multilateral and lasting framework of relations based on a spirit of partnership, with due regard for the characteristics, values and distinguishing features peculiar to each of the participants;
- *regarding* this multilateral framework as the counterpart to a strengthening of bilateral relations which it is important to safeguard, while laying stress on their specific nature;
- *stressing* that this Euro-Mediterranean initiative is not intended to replace the other activities and initiatives undertaken in the interests of the peace, stability and development of the region, but that it will contribute to their success. The participants support the realization of a just, comprehensive and lasting peace settlement in the Middle East based on the relevant UN Security Council resolutions and principles mentioned in the letter of invitation to the Madrid Middle East Peace Conference, including the principle land for peace, with all that this implies;
- *convinced* that the general objective of turning the Mediterranean basin into an area of dialogue, exchange and cooperation guaranteeing peace, stability and prosperity requires a strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty and promotion of greater understanding between cultures, which are all essential aspects of partnership,

hereby agree to establish a comprehensive partnership among the participants - the Euro-Mediterranean partnership - through strengthened political dialogue on a regular basis, the development of economic and financial cooperation and greater emphasis on the social, cultural and human dimension, these being the three aspects of the Euro-Mediterranean partnership.

POLITICAL AND SECURITY PARTNERSHIP: ESTABLISHING A COMMON AREA OF PEACE AND STABILITY

The participants express their conviction that the peace, stability and security of the Mediterranean region are a common asset which they pledge to promote and strengthen by all means at their disposal. To this end they agree to conduct a strengthened political dialogue at regular intervals, based on observance of essential principles of international law, and reaffirm a number of common objectives in matters of internal and external stability. In this spirit they undertake in the following declaration of principles to:

- act in accordance with the UN Charter and the Universal Declaration of Human Rights, as well as other obligations under international law, in particular those arising out of regional and international instruments to which they are party;
- develop the rule of law and democracy in their political systems, while recognizing in this framework the right of each of them to choose and freely develop its own political, socio-cultural, economic and judicial system;
- respect human rights and fundamental freedoms and guarantee the effective legitimate exercise of such rights and

freedoms, including freedom of expression, freedom of association for peaceful purposes and freedom of thought, conscience and religion, both individually and together with other members of the same group, without any discrimination on grounds of race, nationality, language, religion or sex;

- give favourable consideration, through dialogue between the parties, to exchanges of information on matters relating to human rights, fundamental freedoms, racism and xenophobia;
 - respect and ensure respect for diversity and pluralism in their societies, promote tolerance between different groups in society and combat manifestations of intolerance, racism and xenophobia. The participants stress the importance of proper education in the matter of human rights and fundamental freedoms;
 - respect their sovereign equality and all rights inherent in their sovereignty, and fulfil in good faith the obligations they have assumed under international law;
 - respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States, as reflected in agreements between relevant parties;
 - refrain, in accordance with the rules of international law, from any direct or indirect intervention in the internal affairs, of another partner;
 - respect the territorial integrity and unity of each of the other partners;
 - settle their disputes by peaceful means, call upon all participants to renounce recourse to the threat or use of force against the territorial integrity of another participant, including the acquisition of territory by force, and reaffirm the right to fully exercise sovereignty by legitimate means in accordance with the UN Charter and international law;
 - strengthen their cooperation in preventing and combating terrorism, in particular by ratifying and applying the international instruments they have signed, by acceding to such instruments and by taking any other appropriate measures;
 - fight together against the expansion and diversification of organized crime and combat the drugs problem in all its aspects;
 - promote regional security by acting, inter alia, in favour of nuclear, chemical and biological non-proliferation through adherence to and compliance with a combination of international and regional non-proliferation regimes, and arms control and disarmament agreements such as NPT, CWC, BWC, CTBT and/or regional arrangements such as weapons free zones including their verification regimes, as well as by fulfilling in good faith their commitments under arms control, disarmament and non-proliferation conventions.
- The parties shall pursue a mutually and effectively verifiable Middle East Zone free of weapons of mass destruction, nuclear, chemical and biological, and their delivery systems.
- Furthermore the parties will consider practical steps to prevent the proliferation of nuclear, chemical and biological weapons as well as excessive accumulation of conventional arms.
- Refrain from developing military capacity beyond their legitimate defence requirements, at the same time reaffirming their resolve to achieve the same degree of security and mutual confidence with the lowest possible levels of troops and weaponry and adherence to CCW.
- Promote conditions likely to develop good-neighbourly relations among themselves and support processes aimed at stability, security, prosperity and regional and subregional cooperation.
- consider any confidence and security-building measures that could be taken between the parties with a view to the creation of an "area of peace and stability in the Mediterranean", including the long term possibility of establishing a Euro-Mediterranean pact to that end.

ECONOMIC AND FINANCIAL PARTNERSHIP: CREATING AN AREA OF SHARED PROSPERITY

The participants emphasize the importance they attach to sustainable and balanced economic and social development with a view to achieving their objective of creating an area of shared prosperity.

The partners acknowledge the difficulties that the question of debt can create for the economic development of the countries of the Mediterranean region. They agree, in view of the importance of their relations, to continue the dialogue in order to achieve progress in the competent fora.

Noting that the partners have to take upon common challenges, albeit to varying degrees, the participants set themselves the following long-term objectives:

- acceleration of the pace of sustainable socio-economic development;
- improvement of the living conditions of their populations, increase in the employment level and reduction in the development gap in the Euro-Mediterranean region;
- encouragement of regional cooperation and integration.

With a view to achieving these objectives, the participants agree to establish an economic and financial partnership which, taking into account the different degrees of development, will be based on:

- the progressive establishment of a free-trade area;
- the implementation of appropriate economic cooperation and concerted action in the relevant areas;
- a substantial increase in the European Union's financial assistance to its partners.

a) Free-trade area

The free-trade area will be established through the new Euro-Mediterranean Agreements and free-trade agreements between partners of the European Union. The parties have set 2010 as the target date for the gradual establishment of this area which will cover most trade with due observance of the obligations resulting from the WTO.

With a view to developing gradual free trade in this area: tariff and non-tariff barriers to trade in manufactured products will be progressively eliminated in accordance with timetables to be negotiated between the partners; taking as a starting point traditional trade flows, and as far as the various agricultural policies allow and with due respect to the results achieved within the GATT negotiations, trade in agricultural products will be progressively liberalized through reciprocal preferential access among the parties; trade in services including right of establishment will be progressively liberalized having due regard to the GATT agreement. The participants decide to facilitate the progressive establishment of this free-trade area through:

- the adoption of suitable measures as regard rules of origin, certification, protection of intellectual and industrial property rights and competition;
- the pursuit and the development of policies based on the principles of market economy and the integration of their economies taking into account their respective needs and levels of development;
- the adjustment and modernization of economic and social structures, giving priority to the promotion and development of the private sector, to the upgrading of the productive sector and to the establishment of an appropriate institutional and regulatory framework for a market economy. They will likewise endeavour to mitigate the negative social consequences which may result from this adjustment, by promoting programmes for the benefit of the neediest populations;
- the promotion of mechanisms to foster transfers of technology.

b) Economic cooperation and concerted action

Cooperation will be developed in particular in the areas listed below and in this respect the participants:

- acknowledge that economic development must be supported both by international savings, the basis of investment, and by direct foreign investment. They stress the importance of creating an environment conducive to investment, in particular by the progressive elimination of obstacles to such investment which could lead to the transfer to technology and increase production and exports;
- affirm that regional cooperation on a voluntary basis, particularly with a view to developing trade between the partners themselves, is a key factor in promoting the creation of a free-trade area;
- encourage enterprises to enter into agreements with each other and undertake to promote such cooperation and industrial modernization by providing a favourable environment and regulatory framework. They consider it necessary to adopt and to implement a technical support programme for SMEs;
- emphasize their interdependence with regard to the environment, which necessitates a regional approach and increased cooperation, as well as better coordination of existing multilateral programmes, while confirming their attachment to the Barcelona Convention and the Mediterranean Action Plan. They recognize the importance of reconciling economic development with environmental protection, of integrating environmental concerns into the relevant aspects of economic policy and of mitigating the negative environmental consequences which might result. They undertake to establish a short and medium-term priority action programme, including in connection with

combating decertification, and to concentrate appropriate technical and financial support on those actions;

- recognize the key role of women in development and undertake to promote their active participation in economic and social life and in the creation of employment;
- stress the importance of the conservation and rational management of fish stocks and of the improvement of cooperation on research into stocks, including aquaculture, and undertake to facilitate scientific training and research and to envisage creating joint instruments;
- acknowledge the pivotal role of the energy sector in the economic Euro-Mediterranean partnership and decide to strengthen cooperation and intensify dialogue in the field of energy policies. They also decide to create the appropriate framework conditions for investments and the activities of energy companies, cooperating in creating the conditions enabling such companies to extend energy networks and promote link-ups;
- recognize that water supply together with suitable management and development of resources are priority issues for all Mediterranean partners and the cooperation should be developed in these areas;
- agree to cooperate in modernizing and restructuring agriculture and in promoting integrated rural development. This cooperation will focus in particular on technical assistance and training, on support for policies implemented by the partners to diversify production, on the reduction of food dependency and on the promotion of environment-friendly agriculture. They also agree to cooperate in the eradication of illicit crops and the development of any regions affected.

The participants also agree to cooperate in other areas and, to that effect:

- stress the importance of developing and improving infrastructures, including through the establishment of an efficient transport system, the development of information technologies and the modernization of telecommunications. They agree to draw up a programme of priorities for that purpose:
- undertake to respect the principles of international maritime law, in particular freedom to provide services in international transport and free access to international cargoes. The results of the ongoing multilateral trade negotiations on maritime transport services being conducted within the WTO will be taken into account when agreed
- undertake to encourage cooperation between local authorities and in support of regional planning;
- recognizing that science and technology have a significant influence on socio-economic development, agree to strengthen scientific research capacity and development, contribute to the training of scientific and technical staff and promote participation in joint research projects based on the creation of scientific networks;
- agree to promote cooperation on statistics in order to harmonize methods and exchange data.

c) Financial cooperation

The participants consider that the creation of a free-trade area and the success of the Euro-Mediterranean partnership require a substantial increase in financial assistance, which must above all encourage sustainable indigenous development and the mobilization of local economic operators. They note in this connection that:

- the Cannes European Council agreed to set aside ECU 4 685 million for this financial assistance in the form of available Community budget funds for the period 1995-1999. This will be supplemented by EIB assistance in the form of increased loans and the bilateral financial contributions from the Member States;
- effective financial cooperation managed in the framework of a multiannual programme, taking into account the special characteristics of each of the partners is necessary;
- sound macro-economic management is of fundamental importance in ensuring the success of the partnership. To this end they agree to promote dialogue on their respective economic policies and on the method of optimizing financial cooperation.

PARTNERSHIP IN SOCIAL, CULTURAL AND HUMAN AFFAIRS: DEVELOPING HUMAN RESOURCES, PROMOTING UNDERSTANDING BETWEEN CULTURES AND EXCHANGES BETWEEN CIVIL SOCIETIES

The participants recognize that the tradition of culture and civilization throughout the Mediterranean region, dialogue between these cultures and exchanges at human, scientific and technological level are an essential factor in bringing their peoples closer, promoting understanding between them and improving their perception of each other. In the spirit, the participants agree to establish a partnership in social, cultural and human affairs. To this end:

- they reaffirm that dialogue and respect between cultures and religions are a necessary pre-condition for bringing the peoples closer. In this connection they stress the importance of the role the mass media can play in the reciprocal recognition and understanding of cultures as a source of mutual enrichment;
- they stress the essential nature of the development of human resources, both as regards the education and training of young people in particular and in the area of culture. They express their intent to promote cultural exchanges and knowledge of other languages, respecting the cultural identity of each partner, and to implement a lasting policy of educational and cultural programmes; in this context, the partners undertake to adopt measures to facilitate human exchanges, in particular by improving administrative procedures;
- they underline the importance of the health sector for sustainable development and express their intention of promoting the effective participation of the community in operations to improve health and well-being;
- they recognize the importance of social development which, in their view, must go hand in hand with any economic development. They attach particular importance to respect for fundamental social rights, including the right to development;
- they recognize the essential contribution civil society can make in the process of development of the Euro-Mediterranean partnership and as an essential factor for greater understanding and closeness between peoples;
- they accordingly agree to strengthen and/or introduce the necessary instruments of decentralized cooperation to encourage exchanges between those active in development within the framework of national laws: leaders of political and civil society, the cultural and religious world, universities, the research community, the media, organizations, the trade unions and public and private enterprises;
- on this basis, they recognize the importance of encouraging contacts and exchanges between young people in the context of programmes for decentralized cooperation;
- they will encourage actions of support for democratic institutions and for the strengthening of the rule of law and civil society;
- they recognize that current population trends represent a priority challenge which must be counterbalanced by appropriate policies to accelerate economic take-off;
- they acknowledge the importance of the role played by migration in their relationships. They agree to strengthen their cooperation to reduce migratory pressures, among other things through vocational programmes and programmes of assistance for job creation. They undertake to guarantee protection of all the rights recognized under existing legislation of migrants legally resident in their respective territories;
- in the area of illegal immigration they decide to establish closer cooperation. In this context, the partners, aware of their responsibility for readmission, agree to adopt the relevant provisions and measures, by means of bilateral agreements or arrangements, in order to readmit their nationals who are in an illegal situation. To that end, the Member States of the EU take citizens to mean nationals of the Member States, as defined for Community purposes;
- they agree to strengthen cooperation by means of various measures to prevent terrorism and fight it more effectively together;
- by the same token they consider it necessary to fight jointly and effectively against drug trafficking, international crime and corruption;
- they underline the importance of waging a determined campaign against racism, xenophobia and intolerance and agree to cooperate to that end.

FOLLOW-UP TO THE CONFERENCE

The participants:

- considering that the Barcelona Conference provides the basis for a process, which is open and should develop;
- reaffirming their will to establish a partnership based on the principles and objectives defined in this Declaration;
- resolved to give practical expression to this Euro-Mediterranean partnership;
- convinced that, in order to achieve this objective, it is necessary to continue the comprehensive dialogue thus initiated and to carry out a series of specific actions;

hereby adopted the attached work programme:

The Ministers for Foreign Affairs will meet periodically in order to monitor the application of this Declaration and define actions enabling the objectives of the partnership to be achieved. The various activities will be followed by the hoc thematic meetings of ministers, senior officials and experts, exchanges of experience and information,

contacts between those active in civil society and by any other appropriate means. Contacts between parliamentarians, regional authorities, local authorities and the social partners will be encouraged.

A "Euro-Mediterranean Committee for the Barcelona process" at senior-official level, consisting of the European Union Troika and one representative of each Mediterranean partner, will hold regular meetings to prepare the meeting of the Ministers for Foreign Affairs, take stock of and evaluate the follow-up to the Barcelona process and all its components and update the work programme. Appropriate preparatory and follow-up work for the meetings resulting from the Barcelona work programme and from the conclusions of the "Euro-Mediterranean Committee for the Barcelona process" will be undertaken by the Commission departments.

The next meeting of the Ministers for Foreign Affairs will be held in the first semester of 1997 in one of the twelve Mediterranean partners of the European Union, to be determined through further consultations.

WORK PROGRAMME

I. Introduction

The aim of this programme is to implement the objectives of the Barcelona Declaration, and to respect its principles, through regional and multilateral actions. It is complementary both to the bilateral cooperation, implemented in particular under the agreements between the EU and its Mediterranean partners, and to the cooperation already existing in other multilateral fora. The preparation and the follow-up to the various actions will be implemented in accordance with the principles and mechanisms set out in the Barcelona Declaration. The priority actions for further cooperation are listed below. This does not exclude Euro-Mediterranean cooperation being extended to other actions if the partners so agree. The actions may apply to States, their local and regional authorities as well as actors of their civil society.

With the agreement of the participants, other countries or organizations may be involved in the actions contained in the work programme. The implementation must take place in a flexible and transparent way.

With the agreement of the participants, future Euro-Mediterranean cooperation will take account, as appropriate, of the opinions and recommendations resulting from the relevant discussions held at various levels in the region. The implementation of the programme should start as soon as practical after the Barcelona Conference. It will be reviewed at the next Euro-Mediterranean Conference on the basis of a report to be prepared by the European Commission departments, particularly on the basis of reports from the various meetings and Groups mentioned below, and approved by the "Euro-Mediterranean Committee for the Barcelona process" set up by the Barcelona Declaration.

II. Political and Security Partnership: Establishing a common area of peace and stability

With a view to contributing to the objective of progressively creating a zone of peace, stability and security in the Mediterranean, senior officials will meet periodically, starting within the first quarter of 1996. They will:

- conduct a political dialogue to examine the most appropriate means and methods of implementing the principles adopted by the Barcelona Declaration, and
- submit practical proposals in due time for the next Euro-Mediterranean Meeting of Foreign Ministers.

Foreign policy institutes in the Euro-Mediterranean region will be encouraged to establish a network for more intensive cooperation which could become operational as of 1996.

III. Economic and Financial Partnership: Building a zone of shared prosperity

Meetings will take place periodically at the level of Ministers, officials or experts, as appropriate, to promote cooperation in the following areas. These meetings may be supplemented, where appropriate, by conferences or seminars involving the private sector likewise.

Establishment of a Euro-Mediterranean Free Trade Area

The establishment of a free trade area in accordance with the principles contained in the Barcelona Declaration is an essential element of the Euro-Mediterranean partnership. Cooperation will focus on practical measures to facilitate the establishment of free trade as well as its consequences, including:

- harmonizing rules and procedures in the customs field, with a view in particular to the progressive introduction of cumulation of origin; in the meantime, favourable consideration will be given, where appropriate, to finding ad hoc solutions in particular cases;
- harmonization of standards, including meetings arranged by the European Standards Organizations;
- elimination of unwarranted technical barriers to trade in agricultural products and adoption of relevant measures related to plant-health and veterinary rules as well as other legislation on foodstuffs;
- cooperation among statistics organizations with a view to providing reliable data on a harmonized basis;
- possibilities for regional and subregional cooperation (without prejudice to initiatives taken in other existing fora).

Investment

The object of cooperation will be to help create a climate favourable to the removal of obstacles to investment, by giving greater thought to the definition of such obstacles and to means, including in the banking sector, of promoting such investment.

Industry

Industrial modernisation and increased competitiveness will be key factors for the success of the Euro-Mediterranean partnership. In this context, the private sector will play a more important role in the economic development of the region and the creation of employment. Cooperation will focus on:

- the adaptation of the industrial fabric to the changing international environment, in particular to the emergence of the information society;
- the framework for and the preparation of the modernisation and restructuring of existing enterprises, especially in the public sector, including privatisation;
- the use of international of European standards and the upgrading of conformity testing, certification, accreditation and quality standards.

Particular attention will be paid to means of encouraging cooperation among SMEs and creating the conditions for their development, including the possibility of organising workshops, taken account of experience acquired under MED-INVEST and inside the European Union.

Agriculture

While pointing out that such matters are covered under bilateral relations in the main, cooperation in this area focus on:

- support for policies implemented by them to diversify production;
- reduction of food dependency;
- promotion of environment-friendly agriculture;
- closer relations between businesses, groups and organizations representing trades and professions in the partner states on a voluntary basis;
- support for privatization;
- technical assistance and training;
- harmonization of plant-health and veterinary standards;
- integrated rural development, including improvement of basic services and the development of associated economic activities;
- cooperation among rural regions, exchange of experience and know-how concerning rural development;
- development of regions affected by the eradication of illicit crops.

Transport

Efficient interoperable transport links between the EU and its Mediterranean partners, and among the partners themselves, as well as free access to the market for services in international maritime transport, are essential to the development of trade patterns and the smooth operation of the Euro-Mediterranean partnership.

The Transport Ministers of Western Mediterranean countries met twice in 1995 and, following the Regional Conference for the Development of Maritime Transport in the Mediterranean, the Mediterranean Waterborne Transport Working Group adopted a multiannual programme. Cooperation will focus on:

- development of an efficient Trans-Mediterranean multimodal combined sea and air transport system, through the improvement and modernization of ports and airports, the suppression of unwarranted restrictions, the simplification of procedures, the improvement of maritime and air safety, the harmonization of environmental standards at a high level including more efficient monitoring of maritime pollution, and the development of harmonized traffic management systems;
- development of east-west land links on the southern and eastern shores on the Mediterranean, and
- connection of Mediterranean transport networks to the Trans-Europe Network in order to ensure their interoperability.

Energy

A high-level Conference was held in Tunisia in 1995 with a follow-up meeting in Athens and an Energy Conference in Madrid on 20 November 1995.

With a view to creating appropriate conditions for investment in and activities by energy companies, future cooperation will focus, inter alia on:

- fostering the association of Mediterranean countries with the Treaty on the European Energy Charter;
- energy planning;
- encouraging producer-consumer dialogue;
- oil and gas exploration, refining, transportation, distribution, and regional and trans-regional trade;
- coal production and handling;
- generation and transmission of power and interconnection and development of networks;
- energy efficiency;
- new and renewable sources of energy;
- energy-related environmental issues;
- development of joint research programmes;
- training and information activities in the energy sector.

Telecommunications and information technology

With a view to developing a modern, efficient telecommunications network, cooperation will focus on:

- information and telecommunications infrastructures (minimum regulatory framework, standards, conformity testing, network interoperability, etc.);
- regional infrastructures including links with European networks;
- access to services, and • new services in priority fields of application.

Intensification of Euro-Mediterranean exchanges and access to the nascent information society will be facilitated by more efficient information and communications infrastructures. A regional conference is planned for 1996 with the aim of paving the way for pilot projects to show the concrete benefits of the information society.

Regional planning

Cooperation will focus on:

- defining a regional planning strategy for the Euro-Mediterranean area commensurate with the countries' requirements and special features;
- promoting cross-border cooperation in areas of mutual interest.

Tourism

The Minister for Tourism, meeting in Casablanca, adopted the Mediterranean Tourism Charter in 1995. The cooperation actions to be initiated will relate in particular in information, promotion and training.

Environment

Cooperation will focus on:

- assessing environmental problems in the Mediterranean region and defining, where appropriate, initiatives to be taken;
- making proposals to establish and subsequently update a short and medium-term priority environmental action

programme for intervention coordination by the European Commission and supplemented by long-term action; it should include among the main areas for action, the following: integrated management of water, soil and coastal areas; management of waste; preventing and combating air pollution and pollution in the Mediterranean sea; natural heritage, landscapes and site conservation and management; Mediterranean forest protection, conservation and restoration, in particular through the prevention and control of erosion, soil degradation, forest fires and combating desertification; transfer of Community experience, in financing techniques, legislation and environmental monitoring; integration of environmental concerns in all policies;

- setting up a regular dialogue to monitor the implementation of the action programme;
- reinforcing regional and subregional cooperation and strengthening coordination with the Mediterranean Action Plan;
- stimulating coordination of investments from various sources, and implementation of relevant international conventions;
- promoting the adoption and implementation of legislation and regulatory measures when required, especially preventive measures and appropriate high standards.

Science and Technology

Cooperation will focus on:

- promoting research and development and tackling the problem of the widening gap in scientific achievement, taking account of the principle of mutual advantage;
- stepping up exchanges of experience in the scientific and policies which might best enable the Mediterranean partners to reduce the gap between them and their European neighbours and to promote the transfer of technology.
- helping train scientific and technical staff by increasing participation in joint research projects.

Following the Ministerial meeting at Sophia Antipolis in March 1995, a Monitoring Committee was set up; this Committee will meet for the first time immediately after the Barcelona Conference. It will focus on making recommendations for the joint implementation of the policy priorities agreed at Ministerial level.

Water

The Mediterranean Water Charter was adopted in Rome in 1992.

Water is a priority issue for all the Mediterranean partners and will gain in importance as water scarcity becomes more pressing. The purpose of cooperation in this area will be as follows:

- to take stock of the situation taking into account current and future needs;
- to identify ways of reinforcing regional cooperation;
- to make proposals for rationalising planning and management of water resources, where appropriate on a joint basis;
- to contribute towards the creation of new sources of water.

Fisheries

In view of the importance of conservation and rational management of Mediterranean fish stocks, cooperation in the framework of the General Fisheries Council for the Mediterranean will be reinforced.

Following the Ministerial Fisheries Conference held in Heraklion in 1994, appropriate follow-up action will be taken in the legal sphere through meetings to take place in 1996.

Cooperation will be improved on research into fish stocks, including aquaculture, as well as into training and scientific research.

IV. Partnership in Social, Cultural and Human affairs: Developing Human Resources, Promoting Understanding between Cultures and Exchanges between Civil Societies

Development of human resources

The Euro-Mediterranean partnership must contribute to enhancing educational levels throughout the region, whilst laying special emphasis on the Mediterranean partners. To this end, a regular dialogue on educational policies will take place, initially focusing on vocational training, technology in education, universities and other higher-education establishments and research. In this context as well as in other areas, particular attention will be paid to the role

of women. The Euro-Arab Business School in Granada and the European Foundation in Turin will also contribute to this cooperation.

A meeting of representatives of the vocational training sector (policy makers, academics, trainers, etc) will be organised with the aim of sharing modern management approaches.

A meeting will be held of representatives of universities/higher-education establishments. The EU Commission will strengthen its MED-Campus programme. A meeting will also be called on the subject of technology in education.

Municipalities and Regions

Municipalities and regional authorities need to be closely involved in the operation of the Euro-Mediterranean Partnership. City and regional representatives will be encouraged to meet each year to take stock of their common challenges and exchange experiences. This will be organised by the European Commission and will take account of previous experience.

Dialogue between cultures and civilizations

Given the importance of improving mutual understanding by promoting cultural exchanges and knowledge of languages, officials and experts will meet in order to make concrete proposals for action, inter alia, in the following fields: cultural and creative heritage, cultural and artistic events, co-productions (theatre and cinema), translations and other means of cultural dissemination, training. Greater understanding among the major religions present in the Euro-Mediterranean region will facilitate greater mutual tolerance and cooperation. Support will be given to periodic meetings of representatives of religions and religious institutions as well as theologians, academics and others concerned, with the aim of breaking down prejudice, ignorance and fanaticism and fostering cooperation at grass-roots level. The conferences held in Stockholm (15/17.6.1995) and Toledo (4/7.11.1995) may serve as examples in this context.

Media

Close interaction between the media will work in favour of better cultural understanding. The European Union will actively promote such interaction, in particular through the ongoing MED-Media programme. An annual meeting of representatives of the media will be organised in this context.

Youth

Youth exchanges should be the means to prepare future generations for a closer cooperation between the Euro-Mediterranean partners. A Euro-Mediterranean youth exchange programme should therefore be established based on experience acquired in Europe and taking account of the partners' needs; this programme should take account of the importance of vocational training, particularly for those without qualifications, and of the training of organizers and social workers in the youth field. The European Commission will make the necessary proposals before the next meeting of Euro-Mediterranean Foreign Ministers.

Exchanges between Civil Societies

Senior officials will meet periodically to discuss measures likely to facilitate human exchanges resulting from the Euro-Mediterranean partnership, students and those involving officials, scientists, academics, businessmen, students and sportsmen, including the improvement and simplification of administrative procedures, particularly where unnecessary administrative obstacles might exist.

Social Development

The Euro-Mediterranean partnership must contribute to improving the living and working conditions and increasing the employment level of the population in the Mediterranean partner States, in particular of women and the neediest strata of the population. In this context the partners attach particular importance to the respect and promotion of basic social rights. To that end, actors in social policies will meet periodically at the appropriate level.

Health

The partners agree to concentrate cooperation in this area on:

- action on raising awareness, information and prevention;
- development of public health services, in particular health care, primary health centres, mother & child care

- services, family planning, epidemiological supervision systems and measures to control communicable diseases;
- training of health and health-administration personnel; and medical cooperation in the event of natural disasters.

Migration

Given the importance of the issue of migration for Euro-Mediterranean relations, meeting will be encouraged in order to make proposals concerning migration flows and pressures. These meetings will take account of experience acquired, inter alia, under the MED-Migration programme, particularly as regards improving the living conditions of migrants legally established in the Union.

Terrorism, Drug Trafficking, Organised crime

Fighting terrorism will have to be a priority for all the parties. To that end, officials will meet periodically with the aim of strengthening cooperation among police, judicial and other authorities. In this context, consideration will be given, in particular, to stepping up exchanges of information and improving extradition procedures.

Officials will meet periodically to discuss practical measures which can be taken to improve cooperation among police, judicial, customs, administrative and other authorities in order to combat, in particular, drug trafficking and organised crime, including smuggling. All these meetings will be organized with due regard for the need for a differentiated approach that takes into account the diversity of the situation in each country.

Illegal Immigration

Officials will meet periodically to discuss practical measures which can be taken to improve cooperation among police, judicial, customs, administrative and other authorities in order to combat illegal immigration.

These meetings will be organized with due regard for the need for a differentiated approach that takes into account the diversity of the situation in each country.

V. Institutional contacts

Euro-Mediterranean Parliamentary Dialogue

An Inter-Parliamentary Conference on Security and Cooperation in the Mediterranean was held in Valletta from 1 to 4 November 1995. The European Parliament is invited to take the initiative with other parliaments concerning the future Euro-Mediterranean Parliamentary Dialogue, which could enable the elected representatives of the partners to exchange ideas on a wide range of issues.

Other institutional contacts

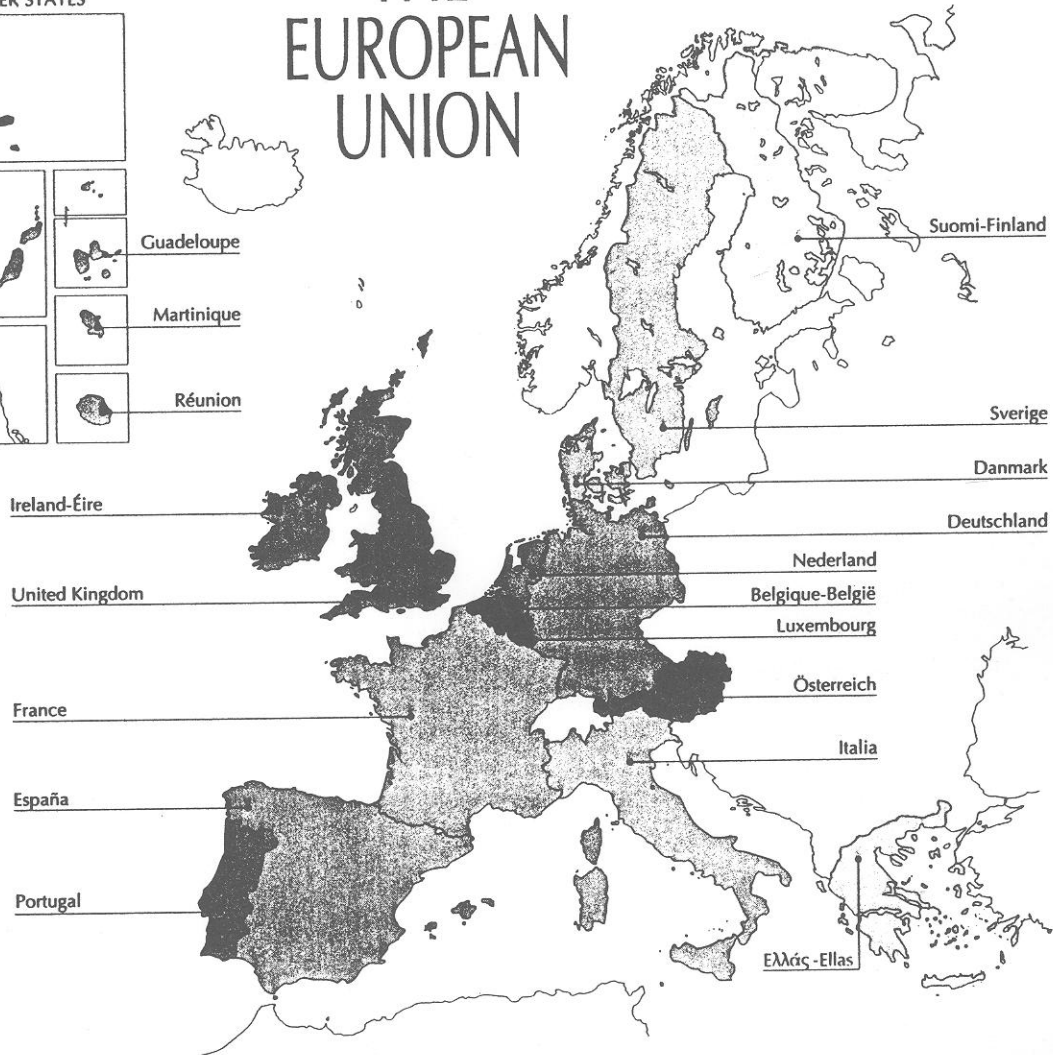
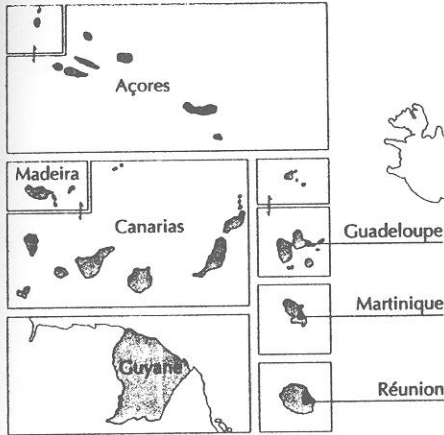
Regular contacts among other European organs, in particular the Economic and Social Committee of the European Community, and their Mediterranean counterparts, would contribute to a better understanding of the major issues relevant in the Euro-Mediterranean partnership.

To this end, the Economic and Social Committee is invited to take the initiative in establishing links with its Mediterranean counterparts and equivalent bodies. In this context, a Euro-Mediterranean meeting of Economic and Social Committees and equivalent bodies will take place in Madrid on 12 and 13 December.



THE EUROPEAN UNION

NON-CONTINENTAL AND OVERSEAS TERRITORIES OF MEMBER STATES



**BASIC STATISTICS OF THE EUROPEAN UNION AND ITS FIFTEEN MEMBER STATES:
COMPARISON BETWEEN THE EUROPEAN UNION (EUR 15), THE UNITED STATES AND JAPAN**

(1993 figures)	B	DK	D	GR	E	F	IRL	I	L	NL	A	P	FIN	S	UK ⁽¹⁾	EUR 15	USA	Japan
Area '000 km ²	31	43	357	132	509	544	70	301	3	41	84	92	337	450	244	3 337	3 517	378
Population millions	10.1	5.2	51.7	10.4	39.1	57.6	3.6	57.1	0.4	15.3	7.9	9.9	5.1	8.7	58.0	368.7	258.2	124.7
Population density Inhabitants per km ²		120	226	78	78	106	51	189	153		94	107	15	19	237	89	27	329
Gross domestic product at market prices* '000 million PPS ⁽²⁾	172.3	88.5	1 177	81.7	475.9	1 015.2	44.6	960.6	8.4	248.1	136.2	91.1	68.4	134.9	922.0	5 805.0	1 051	2 430.8
Per capita gross domestic product* PPS ⁽²⁾		17 080	16 771	7 890	12 180	17 810	12 530	16 840				9 740	13 520	15 440		15 733	17 751	19 500

* Estimate

(1) Including Northern Ireland.

(2) PPS = Purchasing power standard - a common unit representing an identical volume of goods and services for each country.

Source: Services of the European Commission

1 PPS = BFR 41.97 - DM 2.28 - DKR 9.66 - PTA 124.90 - FF 6.93 - UKL 0.68 - DRA 203.12 - LIT 1618.0 - IRL 0.72 - LFR 41.76 - HFL 2.29 - ESC 138.20 - ÖS 15.49 - SKR 10.76 - FMK 6.89 - USD 1.03 - YEN 193.79.