

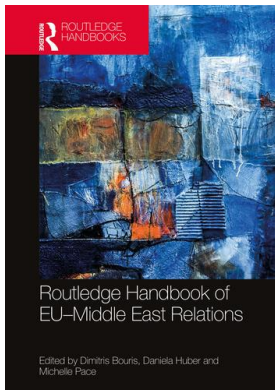
This article was downloaded by: 10.3.97.143

On: 28 Mar 2023

Access details: *subscription number*

Publisher: *Routledge*

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: 5 Howick Place, London SW1P 1WG, UK



Routledge Handbook of EU–Middle East Relations

Dimitris Bouris, Daniela Huber, Michelle Pace

The EU and Arab regionalism

Publication details

<https://www.routledgehandbooks.com/doi/10.4324/9780429317873-17>

Silvia Ferabolli

Published online on: 31 Dec 2021

How to cite :- Silvia Ferabolli. 31 Dec 2021, *The EU and Arab regionalism from:* Routledge Handbook of EU–Middle East Relations Routledge

Accessed on: 28 Mar 2023

<https://www.routledgehandbooks.com/doi/10.4324/9780429317873-17>

PLEASE SCROLL DOWN FOR DOCUMENT

Full terms and conditions of use: <https://www.routledgehandbooks.com/legal-notices/terms>

This Document PDF may be used for research, teaching and private study purposes. Any substantial or systematic reproductions, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The publisher shall not be liable for an loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

14

THE EU AND ARAB REGIONALISM

Silvia Feraboli

Introduction: the EU and Arab regionalism

Arab regionalism is the process that constitutes the Arab region. Also commonly referred to as the Arab world or al-Watan al-'Arabi, the Arab region is the performative materialisation of the Arab regional discourse whose most tangible manifestation is the topographic and ideational boundaries drawn around the 22 members of the League of Arab States (LAS), its institutions and citizens. Although unquestionably within the realm of the Arab nationalist discourse and all the (questionable) concepts it contains – such as Arab identity, Arab unity, Arabism and pan-Arabism – Arab regionalism does not have to be addressed as a remnant of the past. Therefore, this chapter will not chronicle the heydays and misfortunes of Arab nationalism, neither will it recount Nasser's trajectory and that of the United Arab Republic, nor will it undertake any analysis of how Saddam Hussein's invasion of Kuwait supposedly put an end to the power of attraction of the unifying Arab utopias – and the EC/EU's fair share in these events. Instead, the approach adopted here in regard to Arab regionalism is one that understands this as an ongoing process and should be appreciated as such by scholars, policymakers and practitioners working on EU–Middle East relations. In order to advance our knowledge on the EU and Arab regionalism, this chapter focuses on two often neglected aspects involved in the analysis of the politics and economics of Euro–Arab relations: the LAS' active role in the institutionalisation of these relations and the impact of the Barcelona Process on the Arab struggle to constitute a free trade area and to attract foreign direct investment to the region.

From the Euro-Arab dialogue to the first LAS-EU summit

On 31 March 2019, Arab leaders gathered in Tunis for the 30th Arab League Summit. Commenting on the event, Sean Yom, a specialist on regimes and governance in the Middle East, declared that “the body's summits represent nothing more than ‘a pageantry of attendees’” (Alsaafin, 2019). Yom's judgement reflects the view of most Middle Eastern scholars, who rarely have anything positive to say about the septuagenarian Arab organisation. For Yom, the league only “exists because it has to exist – that is, it's harder to dismantle a regional organisation than to create one” (Alsaafin, 2019). However, it is rather intriguing that for decades many heads of state whose position in power does not depend on how much they are regarded by their citizens

feel compelled to behave like theatrical participants in this supposed futile pageant that the Arab summit system is. Still, dismantling an organisation should not be that difficult, particularly one that has been openly and mercilessly portrayed as a complete failure for such a long time. The Union of South American Nations (UNASUR) is a case in point. Constituted in 2008 and comprised of 12 states, it is no longer operative because most of its members have decided to withdraw from the organisation. Something literally not a single Arab state has chosen to do since 1945, the year LAS was created. Two alternative explanations can be offered to the one proposed by Yom for the continuing existence of the Arab League and the Arab summit system. Firstly,

people believe in Arab unity. Given the shared identities, governments cannot simply ignore that. They *have to* meet. It has to do with the values of the political community. What does the population value? Can Sweden abandon the defence of human rights or the protection of the environment? No! For the same reason Morocco cannot abandon the Arab League.

(Soltan, 2015: XX)

Secondly, LAS has successfully managed to project itself as the international representative of the Arab states and to act as a unified group in international fora, summits and conferences, as the Euro-Arab Dialogue, the Euro-LAS Ministerial Meetings on Foreign Affairs and the LAS-EU Summit bear witness.

The Euro-Arab Dialogue, a system of conferences between the EC and LAS created “to explore the ways and means of establishing an interregional partnership” (Taylor, 1978: 429) was initiated in the aftermath of the Arab Summit of Algiers in 1973. At this summit, LAS reciprocated the EC’s manifestation of support for UNSC Resolutions 242 and 338 – made in the wake of the October War and amid fears of the Arab oil embargo – by making a call for “confident and mutually beneficial cooperation” between Western Europe and the Arab world (Taylor, 1978: 431). In December of that same year, the then nine EC Member States responded to the Arab call, by declaring at a Summit Conference held in Copenhagen that “their Heads of State and Government attached great importance to opening negotiations with the oil producers on overall arrangements, including a wide range of cooperation” (Commission of the European Communities, 1978: 23). The formal establishment of the Euro-Arab Dialogue took place in Paris on 31 July 1974, where the European side was officially represented by the Presidents of the EEC Council of Ministers and of the European Commission, whereas the Arab side had as representatives both the President and the General Secretary of the Arab League (Taylor, 1978: 431–432). Overall, four meetings were held during the 1970s by the General Committee, i.e. the managing body of the Euro-Arab Dialogue. During these meetings, little consent was reached on issues such as trade, investment, labour relations and technology transfer. In most instances, while the Arab states pursued a more comprehensive and region-to-region approach to the dialogue, the Europeans preferred a more limited and country-to-country *modus operandi* (Taylor, 1978: 437–438). By the beginning of the 1980s, the Euro-Arab Dialogue was no longer operative.

Only after almost three decades, during its 2007 summit held in Saudi Arabia, the LAS once again took the initiative “to pursue efforts and contacts with the Presidency of the Council of the EU and the European Commission to develop collective Arab-European relations” (Albinyana and Fernández, 2018: 257). The EU reacted positively to this initiative by launching the first EU–LAS Ministerial Meeting on Foreign Affairs, held in Malta in 2008, which did the groundwork for a new form of regular exchanges between the two institutions. Malta

has since 2009 also been hosting the European Commission – League of Arab States Liaison Office (ECLASLO). ECLASLO is considered “one of the most tangible aspects of cooperation between the two blocs since it is the only representative body that exemplifies the relationship and encourages the promulgation of inter-regional outreach of the EU and the LAS” (Malta. Ministry of Foreign Affairs and Trade Promotion, 2019). It was during the fourth EU–LAS Ministerial Meeting on Foreign Affairs held in Cairo in 2016 that an explicit request was made for a joint Euro–Arab Summit. However, it was again up to the LAS to make a push for this end. As Albinyana and Fernández (2018: 258) explain:

In spite of clear indications from the Arab side to move forward in the organisation of the joint summit as endorsed by the LAS Summit in Jordan in March 2017 in the presence of the HRVP Mogherini, the EU should now take the initiative and fix the forthcoming meeting in its calendar.

This was officially made in Malta, during the fifth EU–LAS Ministerial Meeting on Foreign Affairs, held in February 2019, when the preparatory meeting for the first LAS–EU Summit took place.

In a mutual commitment to work together to face challenges perceived as common to both Europe and the Arab world, the LAS’ and the EU’s members states got together in Sharm El-Sheikh on 24–25 February 2019 for the first LAS–EU Summit. In Egypt, participants agreed to buttress “cooperation towards security, conflict resolution, and socio-economic development” (European Council, 2019b). The order in which these expressions appear in the fourth paragraph of the final declaration of the summit is not random, as the focus of the first LAS–EU Summit’s agenda was not on socio-economic development. There were important references to “placing the people of our regions, and in particular women and young people, at the centre of our endeavours”, to constructing partnerships “based on investment and sustainable development” and to combating “cultural and religious intolerance” (European Council, 2019b). However, the topics that dominated the summit’s agenda revolved around political solutions for regional crises, particularly in Syria, Libya and Yemen and the Middle East Peace Process; battling against threats to international and regional peace and security; and clearing the Middle East from nuclear and other weapons of mass destruction (European Council, 2019b). And, of course, there was the ever-present issue of migration control. At the press conference after the summit, the President of the European Council, Donald Tusk, declared the following:

Leaders also agreed to cooperate and coordinate on a number of security and border control issues. We will work to address the root causes of terrorism and deepen our efforts to combat the movement of foreign terrorist fighters across our borders. Violent extremists must be cut off from all forms of support. On border control and the fight against irregular migration: we will scale up our joint efforts to prevent people smuggling, eradicate trafficking in human beings and combat those who exploit vulnerable people.

(European Council, 2019a)

Woefully, in this declaration made right after the end of the summit, Tusk establishes a direct connection between border control, terrorism and irregular migration, reinforcing the perception of many that what the EU wants in its relations with the Arab states is nothing but support for its migration control policies (see Bilgic, 2021). This is the reason why some analysts are very sceptical regarding the promised “new era of cooperation and coordination” (European

Council, 2019b) proposed by the LAS-EU Summit. Marwan Kabalan goes as far as to suggest that EU leaders are “willing to support Arab autocrats so that they can help them secure their borders and seal it in the face of refugees” (in Najjar, 2019).

No one can deny that the Arab region faces severe security challenges – many of them stemming from European colonial legacy and from some present day misjudged European actions, such as the intervention in Libya in 2011. However, security/conflict resolution issues have received disproportionate attention in the first LAS-EU summit. This derives from the questionable reasoning that solving political conflicts in the region would open the doors for economic development – when specialists insist that actually it is the other way round. At a United Nations Economic and Social Commission for Western Asia (ESCWA) expert group meeting held in Tunis in May 2018 on the implementation of the 2030 Agenda for Sustainable Development, it was recognised that “sustainable economic growth, employment creation, financial stability, and sound public finances in the region” could prevent and even resolve political conflict (ESCWA, 2018: 7), which has been one of the main drivers of Arab migration to the EU and of the creation of Arab/African migration corridors. If Arab states and institutions received genuine support to achieve the goals of poverty eradication, gender equality, sustainable management of natural resources, or any other of the Millennium Development Goals for that matter, the south of the Mediterranean might cease to be a source of apprehension to the EU. If the EU champions “regional integration as an effective means of achieving prosperity, peace and security” (European Commission, 2019) perhaps it should be more attentive to the true needs of the regions it engages in dialogue with. For that matter, regionalism is one of the features which the EU sees as distinctive about itself as an international actor and as a core element of its identity, which it not only seeks to export but also sees as a model to be followed beyond Europe (see Hettne and Söderbaum, 2005; Börzel and Risse, 2009; Sicurelli, 2010; Söderbaum and Van Langenhove, 2013). The LAS has also historically sought to project itself as the key representative institution of the Arab region and as such has developed relations with other regions of the world. However, these do not follow the usual European logic of North–South interregional engagements, or the “EU model” for interregionalism, one in which “the EU engenders a region-to-region dialogue with another regional partner by assuming the leading role in a vertically (EU–Other) forged relationship” (Feraboli, 2017: 1768). Given the fact that the Arab world is a region of the Global South, LAS’ engagements with Asia, Africa or Latin America tend to be more horizontal and within the realm of South–South relations. This does not mean that interregionalism in the Global South is immune to relations of power – as all relations are power relations – but that its rationale is different from the one that underlies EU interregional relations with other regions of the South. This is the case of the Summit of South American–Arab Countries (ASPA) and the Arab–African Summit. As for the ASPA Summits, held in Brasilia (2005), Doha (2009), Lima (2012) and Riyadh (2015), they have managed to increase interregional trade from US\$13 billion to US\$35 billion between 2005 and 2015 (Brazil. Itamaraty. Brazilian Ministry of Foreign Affairs, 2015). Another major achievement of the ASPA Summit was the creation of BibliASPA, a Library and Research Centre located in São Paulo whose mission is “to establish and strengthen consistent and long-lasting cultural, educational, and economic relations among South American, Arab, and African countries through the constant production and publication of academic knowledge and cultural exchange” (Bibli-ASPA, 2019). If ASPA is increasingly (even if unsteadily) becoming the main instrument through which Arab–South American relations can be strengthened, the Arab–African Summits already stand as “one of the most important mechanisms for enhancing bilateral cooperation between the Arab world and the African continent” (Allam, 2019). The first interregional meeting between the LAS and the then Organisation of African Unity, now

African Union (AU), took place in Cairo in 1977. The commitments made at this summit generated the Arab Fund for Technical Assistance to African and Arab Countries (AFTAAAC) and the Arab Bank for Economic Development in Africa (BADEA). The existence of these two institutions has made sub-Saharan African countries some of the largest recipients of Arab capital in the developing world (Neumayer, 2003: 136). Between 1977 and 2016, four Arab-African Summits were held – Egypt (1977), Libya (2010), Kuwait (2013) and Equatorial Guinea (2016) – and the themes addressed in these encounters included cooperation for economic development, particularly in the fields of agriculture and food security, besides joint efforts for combating terrorism and cooperating on migration control. Even if at first glance the topics covered by the Arab-African summits seem not to be very far from those addressed during the LAS-EU Summit of 2019, a more careful look at the documents issued over the four decades of institutional cooperation between the LAS and the African Union reveals that a much deeper commitment to mutual support for development exists between these two southern organisations. As illustrated, the LAS also has a highly developed interregional agenda, suggesting that the LAS-EU Summit is not only the result of EU policies towards the Arab region, but also part of the Arab collective approach to the EU.

Intra-Arab trade, FDI and the Barcelona process

Since the 1950s, the Economic and Social Council of the League of Arab States has tried to promote intra-Arab trade. This started with the 1953 Agreement on Trade Facilitation and Regulation of Transit Trade in the Arab region; passed through the 1964 Arab Common Market and advanced to the 1981 Agreement for the Facilitation and Promotion of Intra-Arab Trade. These agreements were abandoned without having fulfilled any of their promises, which can be seen as an indication that intra-Arab trade liberalisation is a chimera. Or they can be seen as important steps towards the concretisation of the long-awaited Arab FTA. Decades of attempts to promote an Arab FTA have given Arab negotiators significant experience which may be behind the positive results that the Greater Arab Free Trade Area (GAFTA), also called the Pan-Arab Free Trade Area (PAFTA) has been achieving. This Pan-Arab FTA, launched on 19 February 1997, aimed at the progressive removal of tariff and non-tariff barriers in manufactures and farm products among Arab states. Starting on 1 January 1998, GAFTA completed its trade liberalisation process in 2005, which means that the intra-Arab trade from that year on, in principle, became tariff free.

According to Abedini and Péridy (2008), by 2005 the arrangement had already increased intra-Arab trade by at least 17%. The most recent study on the impact of GAFTA on trade promotion in the Arab region, the one of Harb and Shady (2016), confirmed a near 20% increase in intra-GAFTA trade in manufactured goods during the 1998–2012 period. It is a fact that GAFTA has fairly reached the goal of eliminating tariffs and increasing the volume of intra-Arab trade. This does not literally mean that there is a free trade area in full operation in the Arab region, though. This is because non-tariff barriers have become pervasive and rules of origin (set at 40% Arab value added) are not easing the access and use of intra-GAFTA produced inputs. Moreover, sanitary and phytosanitary measures restrict agricultural trade, and mechanisms for dispute settlement are inadequate and not effective (Grand, 2019). These have been identified as the most obvious culprits for the frustrated expectations that after its implementation the pan-Arab FTA would generate a much higher intra-Arab trade volume. As for the constitution of an Arab Customs Union (ACU) and subsequently an Arab Common Market (ACM), an old Arab desire and a new GAFTA goal, it was expressed officially during the 2013 Arab Economic and Social Development Summit (with the preparatory work to implement

the ACU having already started in 2009). However, inasmuch as “many member countries are bound by other preferential trade arrangements with non-Arab countries and regional groupings”, the challenge is “either ending their preferential arrangements with foreign parties, or undertaking an adaptation of those preferential arrangements in line with the requirements of establishing the customs union” (ESCWA, 2014: 37). This ascertainment leads to a necessary discussion on the impact of the Barcelona Process on Arab economic regionalism.

The Euro-Mediterranean Conference held in Barcelona on 27–28 November 1995 inaugurated the Euro-Mediterranean Partnership (EMP), whose proclaimed aims were to promote peace, stability and development in the Mediterranean through political, economic and social cooperation. However, the way it has been structured and developed suggests that the achievement of these goals ranks lower in priority than guaranteeing European border security and privileged access for the EU’s goods, services and investments in the Southern and Eastern shores of the Mediterranean (see Schlumberger, 2000; Kausch and Youngs, 2009). Thirteen years after its inception, the Barcelona Process received a breath of fresh air with the launching of the Union for the Mediterranean (UfM), at the 2008 Paris Summit. The UfM was designed to give renewed vitality and visibility to the EMP, turning it into a more concrete scheme with the introduction of new regional and sub-regional projects. As a multilateral framework, the UfM also complements the European Neighbourhood Policy (ENP), which is primarily a bilateral policy between the EU and 16 of its immediate Eastern and Southern neighbours, including nine members of the Arab League. The Barcelona Process – now more commonly referred to as the UfM – seems to have been cleverly built as a dual mechanism that seeks simultaneously to close the borders of the Mediterranean to flows of people and to open it to flows of goods and capital. At the heart of the EMP is the constitution of a Euro-Mediterranean Free Trade Area and this has a direct impact on Arab economic regionalism. Indeed, the very constitution of the current pan-Arab FTA in 1998 can be seen, to a certain degree, as an Arab collective response to the Barcelona Process, particularly to the negative effects of the EMP’s hub-and-spoke structure to the Arab region. This structure is constituted when “one large market (hub) enters into one-on-one (bilateral) trade agreements with a number of other countries (spokes). [. . .] The spokes form a periphery and become marginalised, as the hub enjoys improved market access to all spoke countries” (Bonapace and Mikic, 2005: 92). Besides giving economic and political advantage to a hub, this kind of trade environment can easily introduce divisiveness in what otherwise could be a relatively homogeneous region (Baldwin, 2008: 52). This was the case of the 2004 Agadir Agreement. Signed between Tunisia, Morocco, Egypt and Jordan, which was presented as another step towards the achievement of GAFTA’s goals of trade liberalisation. However, the EC – one of the main supporters of this initiative – saw Agadir through different lenses. According to Chris Patten, the EC’s External Relations Commissioner during the time of the Agadir signature, “[t]his agreement brings us closer to our joint objective of a Euro-Mediterranean free trade area by 2010. It will create much needed momentum for Mediterranean regional integration” (European Commission, 2004: 1). Whilst Arab regional institutions strive to constitute a customs union that “could drive Arab economic integration efforts through better cooperation and policy coordination, ultimately resulting in a strong economic and political union” (ESCWA, 2015: 5), the EMP encourages Arab economies to gravitate around the EU’s immense market. In fact, Timo Behr (2010: 29) has stated that

part of the EU’s enthusiasm for the Agadir Process over GAFTA stems from the fact that Agadir links closely the southern Mediterranean countries to the EU. Thus, the Agadir countries adhere to the Pan-Euro Med Rules of Origin and apply the so-called Euro Med certificates to their exports.

Unfortunately, at this point in time, there is no way to know if GAFTA will stand the pressures emanating from the Barcelona Process or the ENP. For Chris Patten, sharing the EU “experience of regional integration” is “perhaps one of the most important international contributions Europe can make” (European Commission, 2001). One may suggest that not disrupting the others’ experience of regional integration, especially in fragile areas of the Global South, such as the Arab world, would conceivably be a much nobler contribution the EU could make to the world than the one proposed by Patten.

If “tearing down barriers to trade and investment is part of the strategic partnership between the EU and the Mediterranean region launched in 1995”, as the former EU Trade Commissioner Pascal Lamy would put it (European Commission, 2004), then it would be expected that capital would flow much easier – and more abundantly – from the EU to the Arab region after the beginning of the Barcelona Process. That was not exactly what happened. Data presented by the World Bank (2009: 56) suggests that by the end of the 2000s the GCC countries had become the largest foreign investors in the Middle East and North Africa, “with 36% of investments, ahead of Europe (25%) [and] North America (31%)”. As in 2012, the BRICS countries (except for South Africa and with Russia, India and China being pre-eminent) were the main investors in the MED-11 countries, with a 28% share of all FDI in the region (ANIMA, 2013). Actually, as far as foreign direct investment (FDI) is concerned, the two non-Arab MED-11 countries, Israel and Turkey, seem to be the biggest beneficiaries of the Mediterranean Partnership, as “these two countries are recording more than half of the FDI amounts and 43% of the projects attracted in the region in 2012” (ANIMA, 2013: 1). Of course these numbers vary greatly from year to year, but the fact is that intra-Arab FDI is still of chief importance to the Arab world, and the EU does not seem to be willing – or capable – of becoming the top investor in the region in the coming future.

For decades Arab states have been making efforts to attract FDI and either due to “cultural similarities and proximity factors” (Bolbol and Fatheldin, 2006: 1281) or regional strategic considerations and informal socio-cultural networks (Sekkat, 2014), the fact is that a significant part of the FDI flowing to the members of the Arab League originates inside the Arab region. Available data on intra-Arab FDI reveal an accumulated total of US\$178.5 billion between 1995–2011 (ESCWA, 2014: 46). The changing global investment climate for the GCC is one of the main drivers behind the expansion of Arab capacity to attract Arab FDI: “the investment restrictions that the United States began to impose after the attacks of September 2001 have encouraged GCC states to diversify the investment of their surpluses regionally” (Mohieldin, 2008: 40). Hence, in the wake of “the global financial crisis, the GCC is experiencing a new wave of capital repatriation from the US and the Eurozone to the MENA region” (Institute of International Finance, 2008: 11). Conversely, since the beginning of the Arab Spring, “Europe (the region’s historical FDI provider) is dramatically losing its leadership to the benefit of emerging countries which are demonstrating a growing interest for the region’s potential” (ANIMA, 2013: XX).

The development of Arab stock markets and new rules, laws and regulations to attract FDI (see Henry and Springborg, 2010: 63) coupled with the development of institutions to promote and regulate intra-Arab FDI (such as the Unified Agreement for the Investment of Arab Capital in the Arab States, the Arab Investment Court and DHAMAN – the Arab Investment Guarantee and Export Credit Cooperation) associated with the new instruments of Islamic finance (see Tripp, 2006; Warde, 2010; Nethercott and Eisenberg, 2012) have “lured capital that would previously have exited the Arab world” (Institute of International Finance, 2008: 11). Although Arab intraregional investments remain small, not reaching 12% of the total invested by Arab sovereign funds on a global scale (ESCWA, 2014: 45) and especially in the OECD countries, the fact is that FDI from the Gulf is sometimes virtually all that is received by some Arab states.

In Hanieh's estimates, the Arab region was capturing only something between 10% and 15% of total GCC's FDI by the end of the 2000s. However, this corresponded to at least 70% of the total FDI flowing into Syria and Lebanon in that period (Hanieh, 2011, 2012). The dynamics of intra-Arab FDI also differ from non-Arab investments in the region as they display "fewer fluctuations than foreign investments [indicating] their relative stability and hence reliability" (Bolbol and Fatheldin, 2006: 1281). The Arab Spring has certainly had an effect on the steadiness of GCC investments in the Arab world, but there seems to be a consensus in the specialised literature that at least a third of all FDI in the Arab region still comes from the Gulf and that if this reality changes in the near future it is going to be due to the new role played by the top emerging economies, particularly China – not the EU or the Barcelona Process.

Concluding remarks

This chapter proposed a non-conventional analysis of the relations between the EU and Arab regionalism – one centred on the active role of the LAS on the institutional development of Euro-Arab relations and on the counterproductive effects of the Barcelona Process on the dynamics of intra-Arab trade promotion and its meagre impact on the growth of European FDI in the Arab region. It sought to demonstrate that the Euro-Arab Dialogue, the Euro-LAS Ministerial Meetings on Foreign Affairs and the LAS-EU Summit evidence the effectiveness of the LAS in projecting itself as the international representative of the Arab states and in acting as a unified group in international fora, summits and conferences. It also instigated a discussion on the extent to which the LAS-EU Summit is an instance of the Arab collective approach to interregionalism by presenting LAS' historical engagements with other world regions, exemplified in the Arab-African and the Arab-South American summits. Still in the realm of Arab collective actions, this chapter presented the current pan-Arab FTA as a coordinated response to the detrimental effects of the EMP's hub-and-spoke structure to Arab regionalism. It exposed how the EU stimulates Arab economies to gravitate around its giant market by promoting the Agadir process – which is increasingly oriented towards the EMP – over GAFTA – which strives to evolve to an Arab Customs Union. If only the Barcelona Process had promoted the much needed substantial increase in the flow of European capital to the Arab region in the form of investments that might foster Arab development, this could compensate for the pressure Arab economic regionalism endures in the face of a monumental competitor such as the EMP. As seen, that was not the case, as emerging markets, especially China and the GCC, are already leading investment in the Arab world. However, beyond the significant economic capital the EU has historically invested in the Arab region, it also has an immeasurable amount of political, social and cultural capital accumulated there, which can be readily committed to fostering productive, egalitarian, democratic and meaningful Euro-Arab relations. This is a long-term investment that has all the potential to pay off – for both sides.

Bibliography

- Abedini, J. and Péridy, N. (2008), "The Greater Arab Free Trade Area (GAFTA): An estimation of its trade effects", *Journal of Economic Integration*. Center for Economic Integration, Sejong University, 23(4), pp. 848–872.
- Albinyana, R. and Fernández, F. (2018), "From the Euro-Arab dialogue to a Euro-Arab Summit: Revamping the EU-Arab Partnership", *Geographical Overview*. The Euro-Mediterranean Partnership and Other Actors. IEMed. Mediterranean Yearbook, pp. 255–259.
- Allam, M. (2019), *An Arab-African formula for success. Opinion*. Ahram Online. Online. Available at: <http://english.ahram.org/NewsContentP/4/328432/Opinion/An-ArabAfrican-formula-for-success.aspx>

- Alsaafin, L. (2019), “What to expect from the Arab League Summit in Tunis”, *Al-Jazeera News*, 31 março. Online. Available at: www.aljazeera.com/news/2019/03/expect-arab-league-summit-tunis-190330202209653.html
- ANIMA (2013), “Anima Investment Network. Press Release. 2012 report on MED Foreign Direct Investment attractiveness. ‘Emerging countries: The new Mediterranean FDI providers?’” *Marseille*, 19 November 2013, p. 1–5.
- Baldwin, R. E. (2008), “The Spoke Trap: Hub-and-spoke bilateralism in East Asia”, in Eichengreen, B., Wyplosz, C. e Park, Y. C. (orgs.) *China, Asia, and the new world economy*. New York: Oxford University Press, pp. 51–86.
- Behr, T. (2010), *Regional integration in the Mediterranean: Moving out of the deadlock?* Paris: Notre Europe, Studies and Research, p. 77.
- Bibli-ASPAs (2019), *About us – Mission*. Online. Available at: <https://bibliaspas.org/quem-somos/>
- Bilgic, A. (2021), ‘Everyday Middle East’, in Bouris, D., Huber, D. and Pace, M. (eds.) *The Routledge Handbook on EU-Middle East Relations*, Oxon: Routledge.
- Bolbol, A. A. and Fatheldin, A. M. (2006), “Foreign and intra-Arab capital flows in the Arab countries, 1990–2003”, *The World Economy*, 29(9), pp. 1267–1293.
- Bonapace, T. and Mikic, M. (2005), “III. Multilateralizing regionalism: Towards an integrated and outward-oriented Asia-pacific economic area”, in *Delivering on the WTO Round: A High-level Government-Business Dialogue*, Bangkok: ESCAP (Studies in Trade and Investment, 56): United Nations Publication, pp. 85–111.
- Börzel, T. A. and Risse, T. (2009), “Diffusing (inter-) regionalism: The EU as a model of regional integration”, *KFG Working Papers Series*, No. 7(September), pp. 1–27. Online. Available at: www.polsoz.fu-berlin.de/en/v/transformeurope/publications/working_paper/WP_07_Boerzel_Risse.pdf.
- Brazil. Itamaraty. Brazilian Ministry of Foreign Affairs (2015), *IV Cúpula ASPA (América do Sul Países Árabes), em Riade, Arábia Saudita [IV ASPA Summit (South America Arab Countries), in Riyadh, Saudi Arabia]*. November 9, 2015. Online. Available at: <http://blog.itamaraty.gov.br/181-iv-cupula-aspa-america-do-sul-paises-arabes-em-riade-arabia-saudita>
- Commission of the European Communities (1978), *The European community and the Arab world – Information: Cooperation – Development – N. 169/78 – (X/34178-EN)*, Brussels. Online. Available at: http://aei.pitt.edu/7824/1/31735055281335_1.pdf
- ESCWA (2014), *Arab integration: A 21st century development imperative*. New York: United Nations Publication.
- ESCWA (2015), *Assessing Arab economic integration: Towards the Arab customs union*. New York: United Nations Publication.
- ESCWA (2018), *Expert group meeting on “implementing agenda 2030: Economic governance and national development planning in the Arab region”, Tunis 9–10 May, 2018*. Online. Available at: www.unescwa.org/events/economic-governance-national-development-planning-arab-region
- European Commission (2001), *The Rt Hon Chris Patten. Commissioner for external relations. “The role of the European Union on the world stage. India Habitat Centre – Jawaharlal Nehru University, New Delhi, 25 January 2001”*. Online. Available at: https://europa.eu/rapid/press-release_SPEECH-01-23_en.htm
- European Commission (2004), *Commissioner Patten attends signature of agadir agreement (IP/04/256)*, Brussels, pp. 1–2. Online. Available at: http://europa.eu/rapid/press-release_IP-04-256_en.pdf
- European Commission (2019), *Regional integration. Overview*. Online. Available at: https://ec.europa.eu/europeaid/node/680_sl
- European Council (2019a), *Remarks by President Donald Tusk at the press conference after the EU-LAS summit in Egypt, Press Release*. Online. Available at: www.consilium.europa.eu/en/press/press-releases/2019/02/25/remarks-by-president-donald-tusk-at-the-press-conference-of-the-eu-las-summit-in-egypt/
- European Council (2019b), *Sharm El-Sheikh summit declaration, Press Release*. Online. Available at: www.consilium.europa.eu/en/press/press-releases/2019/02/25/sharm-el-sheikh-summit-declaration/
- Feraboli, S. (2017), “Regions that matter: The Arab – South American interregional space”, *Third World Quarterly*. Routledge, 38(8), pp. 1767–1781.
- Grand, N. (2019), “Impediments to full implementation of PAFTA. ESCWA High-Level Meeting, 1–2 July 2019”. Tunis, pp. 1–21. Online. Available at: www.unescwa.org/sites/www.unescwa.org/files/events/files/session_1-3_impediment_to_pafta-escwa-grand-1_jul_19_.pdf
- Hanieh, A. (2011), *Capitalism and class in the Gulf Arab states*. New York: Palgrave Macmillan.
- Hanieh, A. (2012), “Finance, oil and the Arab uprisings: The global crisis and the Gulf states”, *Socialist Register*, 48.

- Harb, G. and Shady, N. A. (2016), "Arab trade dynamics after the implementation of the Pan Arab Free Trade Area (1998–2012)", *Review of Middle East Economics and Finance*, 12(1), pp. 1–29.
- Henry, C. M. and Springborg, R. (2010), *Globalization and the politics of development in the Middle East*. Cambridge: Cambridge University Press.
- Hettne, B. and Söderbaum, F. (2005), "Civilian power or soft imperialism? The EU as a global actor and the role of interregionalism", *European Foreign Affairs Review*. The Hague, The Netherlands: Kluwer Law International, 10(4), pp. 535–552. Online. Available at: www.kluwerlawonline.com/document.php?id=EERR2005036.
- Institute of International Finance (2008), *Economic report*. Washington, DC: Gulf Cooperation Council Countries, January 16, 2008.
- Kausch, K. and Youngs, R. (2009), "The end of the 'Euro-Mediterranean vision'", *International Affairs (Royal Institute of International Affairs 1944-)*. Royal Institute of International Affairs, Oxford University Press, 85(5), pp. 963–975.
- Malta. Ministry of Foreign Affairs and Trade Promotion (2019), *Malta calls for strengthened EU-LAS dialogue*. Press Release Issue Date: Feb 04, 2019. Online. Available at: <https://foreignaffairs.gov.mt/en/Government/PressReleases/Pages/Malta-calls-for-strengthened-EU-LAS-dialogue.aspx>
- Mohieldin, M. (2008), "Neighborly investments", *Finance and Development*, 45(4), pp. 40–41.
- Najjar, F. (2019), "EU-Arab League summit in Egypt is 'insignificant, ceremonial'", *Al-Jazeera News*, 25 febreiro. Online. Available at: www.aljazeera.com/news/2019/02/eu-arab-league-summit-egypt-insignificant-ceremonial-190224120242905.html
- Nethercott, C. and Eisenberg, D. (eds.). (2012), *Islamic finance: Law and practice*. Oxford: Oxford University Press.
- Neumayer, E. (2003), "What factors determine the allocation of aid by Arab countries and multilateral agencies?" *The Journal of Development Studies*. Routledge, 39(4), pp. 134–147.
- Schlumberger, O. (2000), "Arab political economy and the European Union's Mediterranean policy: What prospects for development?" *New Political Economy*. Taylor & Francis, 5(2), pp. 247–268.
- Sekkat, K. (2014), "Is there anything special with intra-Arab foreign direct investment?" *Journal of Economic Integration*, 29(1), p. 139–164.
- Sicurelli, D. (2010), *The European Union's Africa policies: Norms, interests and impact*. Surrey: Ashgate.
- Söderbaum, F. and Van Langenhove, L. (eds.). (2013), *The EU as a global player: The politics of interregionalism*. Abingdon: Routledge.
- Soltan, G. A. G. (2015), "Interviewed by the author in November 1st, 2010, in Cairo, at the Al-Ahram Center for Political and Strategic Studies' headquarters", in Feraboli, S. (org.) *Arab regionalism: A post-structural perspective*. Abingdon and New York: Routledge.
- Taylor, A. R. (1978), "The Euro-Arab dialogue: Quest for an interregional partnership", *Middle East Journal*. Middle East Institute, 32(4), pp. 429–443.
- Tripp, C. (2006), *Islam and the moral economy: The challenge of capitalism*. Cambridge: Cambridge University Press.
- Warde, I. (2010), *Islamic finance in the global economy*. 2nd ed. Edinburgh: Edinburgh University Press.
- World Bank (2009), *From privilege to competition unlocking private-led growth in the Middle East and North Africa. MENA Development Report*. Washington, DC: World Bank. Online. Available at: http://siteresources.worldbank.org/INTMENA/Resources/Privilege_complete_final.pdf