The challenges facing European society with the approach of the year 2000

Strategies for the sustainable development of European states in the Mediterranean basin

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ECONOMIC AND PLANNING CONSEQUENCES FOR THE MEDITERRANEAN STATES OF EUROPE'S OPENING UP TO THE EAST

1. New relations between the European states in the Mediterranean basin and the states of central and eastern Europe

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The Cold War equilibrium and the Mediterranean border had held everything in place. There were familiar environments – comfortable to for those fortunate enough to live in the west. The contours were clear, the habits predictable. Today this Manichean relation is broken and eastern Europeans, oriental people, neighbours across the sea demand their rights into the Single European Space. For centuries, as F.Braudel teaches us, they were part of it, they have contributed to its wealth and culture, they were "inside" and they cannot accept some current European ideas to draw lines of inclusion/exclusion as outcomes of the new globalised relations.

But what sort of relations? For the many this is an unproblematic term. In international seminars as this one, the assumption of "normal" and "equal" international economic, political and cultural relations prevail. Normality and equality, however, do not exist around the Mediterranean, beyond Elba or Danube, nor of course globally. The "many Mediterraneans" and the "many Europes" of F.Braudel are interwoven today in complicated geographies, in places where people live "normal" lives and in others where they struggle for survival. But these are not separate worlds either, as they are sometimes conveniently portrayed. They penetrate one another's spaces in ever-increasing ways, sometimes with honest attempts to help, sometimes reproducing old colonial dependencies, or sometimes simply searching for a better future by crossing the Mediterranean sea, a new kind of Rio Grande. Hence, as We come to the end of the twentieth century the sense that We all live in "one world" has never been stronger, but in a deeply divided world and at the same time highly interconnected: "their struggle" is related to "our comfort", the "We" constructs the "Other".

Taking this into account, this short paper proposes to discuss firstly, some intentions of the EU towards Eastern Europe and the Mediterranean as they appear in official documents, trying at the same time to draw a different picture from the one which the EU promotes. Secondly, it proposes to shift attention to a less discussed aspect of integration and international relations, on *constructed meanings* and *ideas* about places and people, about "insiders" and "outsiders". Current processes of inclusion/exclusion in the New Europe are founded – in addition to economic and political ones – on the old arsenal of perceptions which north-central Europeans have for those having the smell and feel of "otherness".

1. Intentions and contradictions

For various reasons, the EU during the last five years gives particular attention to central and eastern European Countries (CECs) and to Mediterranean countries which are not Community members (MNCs). On the one hand the process of reform and the opening up of markets in the East and on the other, population explosion in Southern Mediterranean in combination with rich energy and agricultural resources, present both opportunities and challenges for the Community. In a communication presented in October 1994 (Bulletin of EU 2/1995), the Commission recalled the social, political and economic interconnections between the EU and the countries of eastern and southern Mediterranean and proposed the establishment of a Euro-Mediterranean partnership likely to lead, in due course, to the creation of a free trade area. Few years before the Commission presented a similar statement for CECs using a slightly different language, such as "helping the transition from centrally planned to market economies", "political stabilisation", "environmental protection" and "regional co-operation". As facilitators of these intentions two major programs have been launched PHARE and INTERREG.

The fall of the Berlin Wall in 1989 and the triumph of western market capitalism over eastern state pseudo-socialism was celebrated together with Europe's dissociation from USA and Soviet domination. Seven years later, however, many hopes from that historical night have proven to be false ones. Europe, incapable to understand, act and solve the Bosnia question, has been forced to accept the Dayton agreement which has placed the USA again at the centre of European affairs and has verified its dominant position. Additionally, the triumph of western capitalism over eastern states seems simply a destruction of what existed before with little hopes for recovery. At present all eastern countries have suffered deep economic recession associated with high inflation, unemployment and declining real incomes plus rising crime and mafia type of activities. According to A. Amato (1994) signs for improvement are rare – with the exception of the Czech Republic – and only greater job losses and increased social unrest is predicted. At the same time, however, trade relations among member states and regions and CECs have grown substantially, especially exports to the Union from these countries. There are composed predominantly of raw materials and basic products, including such sensitive goods as steel and textiles.

Growth of trade has been accompanied by growth of direct investment from the EU, though this remains small in most places, totalling 7.3 billion ECUs in the period 1989 to 1991, which represents less than 10% of Community direct investment to third countries. USA and Japan have been more generous, investing during the same period more than 12 billion ECUs. Inflows of capital have gone disproportionately to the Czech Republic and Hungary, where the risks are lowest, and elsewhere predominantly to national capitals and other major cities where job and real income losses have been least, so reinforcing the tendency towards uneven spatial development (Valden, 1991).

The growth of markets in central and eastern Europe will tend to benefit regions which are already competitive and engaged to a major extent in international trade, especially regions, which, because of their location, have relatively easy access to these markets (Europe 2000+). German, Austrian and Dutch regions will be the main beneficiaries and at a secondary level Danish and Swedish regions. On the other hand, the increased inflow of low-cost imports from these countries will tend adversely to affect regions which specialise in the production of similar goods, which in the main will be weaker and less developed regions, especially those

where steel and textile production is important or which produce agricultural products at relatively low levels of efficiency. Most of the vulnerable areas tend to be in the South of the Community, in Greece, Mezzogiorno, Spain and Portugal. Some negative signs due to competition with eastern Europe are already visible. Sectors such as steel production (in northern Italy and the Basque Country) are loosing markets, while labour intensive sectors such as textiles, clothing and processed food show tendencies for relocation from Greek regions to Bulgaria and Albania (Petrakos, 1995).

In the Mediterranean states the problem takes a different dimension. The strong growth of population in relation to economic performance means that MNCs face a difficult problem of ensuring a sufficient rate of job creation to match the prospective increase in those looking for work, let alone the many millions who are at present unemployed or working in the informal sector, particularly women. Population has grown continuously and consistently at around 2.5% a year during the past 25 years. By 2025, it is projected to reach 345 millions, the same as the present population of EU (Europe 2000+).

In recent years, trade between MNCs and the Community has changed in favour of the latter. Member state exports to MNCs rose from 7.9% of total Union exports to the rest of the world in 1989 to 9.5% in 1993 (Amoroso, 1994). At the same time exports to the EU remain almost stable as volume, while the major problem lies in the structure of trade itself. The interregional trade in the Mediterranean, as shown in diagram 1, (see Appendix) takes place primarily among the rich countries of the northern bank (France, Italy) and only at a secondary level vertically, i.e. among the northern bank and of the south and south-east banks. Horizontal, “internal” trade relations among MNCs are very week. These are indeed, post-colonial or neo-colonial relations: natural resources (primarily oil and natural gas), vegetables, fruit and low technology industrial products versus manufactured goods, high technology and processed food and drinks. The main problem is that MNCs specialise in the same products and they compete among themselves for EU markets, while trade with the EU is essential for their economies. On the contrary, EU countries can interrupt their relation with Mediterranean partners without many losses. This is why “...the danger of massive immigration and a retreat into protectionism” is noted as the major implication from the further development of economic and political relations between the EU and MNCs (European Parliament, COM-72, 1995). In consequence, the importance to support “..economic development, progress towards democracy, improving infrastructure and protecting the environment”is underlined, while no references are made to human rights and military aggressiveness. This is the rationale for a number of present experimental programmes such as Meduniv, Medurbs and Medinvest. On the other hand, direct Community aid to MNCs (until 1995) from the budget, accounted only for 0.1% of GNP and it has not until now any significant macroeconomic effect.

The discussion so far can be summarised using the four tables in the appendix presenting some figures for the EU, MNCs and eastern Europe (without Russia). In conclusion, the major problems/opportunities for the EU are: *(a)* the population “threat” from the south in combination with the high proportion of the existing immigrant population in the Community originated from this area, *(b)* the wealth gap separating EU and the two other areas particularly with the Mediterranean region in which a present wealth gap from 1 to 10, could be from 1 to 20 by 2025, and *(c)* the preference of the west to invest in central and eastern Europe which offers two major resources: a cheap, well-educated work force boasting a near-German productivity and an industrial/agricultural tradition close to standard European values. Culture,

religion and politics are once again well interrelated, and this may leave the Mediterranean, including some regions of member states, with substantially less resources and opportunities available.

2. Constructed meanings and processes of inclusion and exclusion

New globalised relations demand from EU to strengthen its position *vis-à-vis* the other two mega-regions, the USA on the one hand and Japan and Southeast Asia on the other hand. This argument is often used as an excuse to legitimise two important geographical and social tendencies for the next 10-15 years: *(a)* growing polarisation within the EU, a fact already acknowledged by most Community experts, and *(b)* the construction of new relations of inclusion/exclusion – ending often to crypt-colonialism – toward the "outsiders" in the East and across the Mediterranean.

The much advocated and discussed process of globalisation, a symbol of the new post-modern times, is not very universal indeed in terms of bringing people together and distributing globally the fruits of development and prosperity. New trends of globalisation are restricted to north-western regions, the Whites, mostly to men and Catholic or Protestant minorities, who travel and communicate on an accelerating rate (Massey,1994). Capital and information flow easily from certain places to other places which happen to be those called developed capitalist regions. The existence of different centres implies an expression of abandonment and exclusion of others. Relations between global cities, global regions, global economic and military networks as well as relations between the "triad" (USA, EU, Japan/SE. Asia) with the rest of the world, take increasingly the form of neo-colonial relations. What takes place is a *selective global de-linking* and the old "concrete walls" or "iron curtains" are replaced with new electronic ones.

In this process "constructed meanings" and the role of global media in particular are instrumental in the distribution of acceptable practices and externalisation of cultural identities (Joston, Taylor, Watts 1995). The unequal relations among EU, Eastern Europe and Mediterranean countries are founded, among other things, on constructed meanings (perhaps dating back to the 11th century) in which the EU and in particular its north-central part stands as the powerful and unquestionable centre. A key category here is the debatable notion of "European identity". What motivates today dominant ideas about European identity is the desire to exclude the *other*, those ideas, meanings and practices which do not fit with a vision of what S. Amin (1989) and E. Said (1985) describe as *eurocentrism*, those intruders who are not from "European stock". Eurocentrism, according to E. Said, imposes "imaginative geographies" dominating representation of space as well as social practices in which the centre is powerful, articulated, surveillant and the subject which is making history; while the periphery is defeated, silenced, subordinate, subjected and without a history of its own. What seems to be at work is what Cornelius Castoriadis (1990) describes as:

"....the apparent incapacity to constitute oneself as oneself without excluding the other - and the apparent inability to exclude the other without devaluing and ultimately, hating him".

Of course the ideology of European cultural superiority is not new and can be traced back to Ancient Greece and Rome. What is new, however, is the search for deep historical roots able to prove that this superiority was achieved mainly because of "internal reasons" that were favourable in Europe within the global system. This constructed meaning has a distinct dual

political and cultural project: *cultural homogenisation* within Europe proper and a *model of "catching-up"* for the outsiders. The classic expression of both is the measurement of performance of each country, region or social group against the "developed" ones, using "international development indexes". Despite criticism, this approach still dominates development thinking and policies. It is part of the wider project of constructed meanings, as all measure their success or failure against the Whites, male, Catholic or Protestant communities, north-central European or American capitalist ideal (Hadjimichalis, 1994).

The official language of the EU is also significant: it is the language of cohesion, integration, unity, community and security. The new European order and its relations with eastern and Mediterranean states is being constructed in terms of an idealised wholeness and plenitude in which geographies and societies appear only as the bounded space of Eurocentrism. These meanings and modes of inclusion in and exclusion from Europe have been powerfully shaped over the centuries by the historical and spatial experience of building nation states. The principle or the aspiration has been that of ethnic, religious, linguistic, cultural *homogeneity* but not economic, political and spatial. Monolithic and inward looking, the nation state was a closed cultural entity.

Here is where Bosnia matters, as Robins and Aksoy (1995) remind us. Unlike other parts of Europe, Bosnia continues to develop a culture which expresses the plural and tolerant side of the Ottoman tradition. It has struggled over the past years to defend the values of a multi-cultural, multi-meaning, long-evolved and mutually fruitful cohabitation. As it happened in Cyprus twenty-two years ago, the genocide in Bosnia applied by all parties was against a unique European society which has not been homogenised, like our own has been. Europeans and the EU as a political entity, by accepting the destruction of Bosnia – some in the name of cynical geopolitical interest, others out of ignorance – have damaged, some even say they have killed, both the project of European integration and the opening towards the East and the Mediterranean. Bosnia was a microcosm of what we find today in many eastern states and Moslem Mediterranean states. Its destruction after the Gulf War has aggravated the problems of countries and people in the Balkans, ex-Soviet Union and the Mediterranean. It has created in large segments of Arab and Christian Orthodox societies a crisis of confidence in Europe, far deeper than any one known so far (*The Guardian*, 6.12.95). Then, too, anti-Arab and, to a lesser degree, anti-Orthodox (via images of "butcher" Serbs) sentiments in Europe is on the rise, aggravating the problem of acceptance and integration facing migrant workers, leading to racial intolerance and xenophobia.

New frontiers are thus being established at a time when everyone speaks of their destruction in globalised "new times". After German unification, the idea of "*Mitteleuropa*" has been woken-up which, if one associates it with proposals for a two-speed European integration, may construct a quite possible scenario of inclusion/exclusion (Lipietz, 1993). Outsiders from the EU and some insiders as well face today a similar process to that which involved *the limes*[1] of the Roman Empire against the "Barbarians" (Ruffin, 1991) – those "non-civilised persons who cannot speak Latin properly and defend themselves in front of the Senate". The new *limes* will encompass existing north-central EU member states and to the East will include regions of the

[1]Limes is a Latin term in the singular, describing the geopolitical and cultural boundary of Roman Empire.

former Austrian-Hungarian and Prussian empires; to the Balkans, Slovenia and Croatia (note that Greece is excluded), Italy, but maybe only its northern part including Rome, the Iberian peninsula until Madrid and the British isles, perhaps without Ireland. The new *limes* could broadly follow those of the Great Schism of 1054 between Rome and Constantinople. The criteria of inclusion/exclusion would once again be cultural and religious and both Orthodoxy (Russians, Serbs, Roumanians, Bulgarians, Greeks) and Islam (Bosnians, Albanians, Turks, Arabs from the Middle East and north Africa) would be excluded, would constitute the *other*, that cannot belong to authentic Europe. But again, this exclusion of the new "Barbarians", is not a cutting of Europe from its surroundings. It is intended to dominate them instead, to include them as inferiors.

This new *limes* works inside the Europe of the 15 as well, making the previous scenario even more possible. Today a new wall of poverty and marginalisation runs right through all the member states (Hadjimichalis, Sadler, 1995). The meta-fordist social contract of "negotiable involvement" in north-central Europe and the family/small business/informal economy model in southern Europe, are both in crisis. In the early 1990's, 58 million people were considered as "poor" (1/3 of the Europe of the 12), 3 million were homeless and 15 million formally unemployed. Not all people who work and live in Europe can now have the right to citizenship. Neo-racism builds new inner boundaries and excludes the "16th state": 12,5 million foreign *demizens* and *immigrants.* Many women, particularly in the south, work in the informal sector and, because of that, they are nowhere near the image of "social partner", whose role in dialogue is heavily promoted by the EU (Vaiou, 1995). Thus, an exclusion from the outset is established as these millions of women cannot have a voice in coming negotiations.

Racial and gender divisions restrict also the freedom of mobility – a much celebrated fruit of the Single Market (Massey,1994; Vaiou, 1995). There is seldom any reference to everyday life, to those differentiated "life spaces" of Europeans, to the unequal terms of integration of places, races and genders. Thus, the false assumption about homogenisation and catching-up through infrastructures prevails. The latter works in support of the few white men from the north-central region, who congest Euro-terminals, busily talking in their – frequently faked – mobile telephones. Their hyper-mobility relies on the stasis of all the others who are forced to stay behind these new inner boundaries of exclusion.

3. Concluding comment: a two-front "mexicanisation" ?

During the last Davos International Economic Summit (February 1996), Jeffrey Jacks from Harvard University made a comparison between Mexico and eastern Europe (*The Guardian*, 8.2.96). He argued that as the USA and Canada have found in neighbouring Mexico a source of cheap labour, cheap energy and agricultural inputs (as did Japan in Southeast Asia), today a similar golden opportunity is open for Europe in ex-socialist countries of the East. However, he urged Europeans, to "do it properly" and avoid USA mistakes which turned Mexico in six months from "*l'enfant gâté*" of the West to an almost bankrupt country.

Extending Jacks's scenario to the Mediterranean may end with a two-front "mexicanisation": the creation of a "buffer zone" around Europe echoing the old *limes*, in which controlled immigration, provision of cheap energy and agricultural inputs, demand for European products, accommodation of mass tourism and location of industries (the equivalent of "maquiladores") would take place. This possible reorganisation of European and Mediterranean space would

strengthen north-central European regions but would further marginalise southern ones.

Political forces to oppose this scenario seem to be dispersed and week among regions and social groups most affected. Hopes for organisation exist, however, requiring a progressive and radical "openness" and acceptance of the other as equal, instead of a defensive and nationalistic closure. Of special value here is the spatial feminist and postcolonial critique by Gloria Anzaldua (1990), whose major work on borderlands between Mexico and the USA sets the scene. Anzaldua proposes a move "beyond an homogenising globalisation, to the persistent recognition of heterogeneity", to organise ourselves for radical resistance. The latter can take many forms in which the formulation of new categories and new meanings play a key role. She offers her own first step:

"... We need theories that will rewrite history using race, class, gender and ethnicity as categories of analysis, theories that cross borders, that blur boundaries.... Because not only we are not allowed to enter in the West, but we are not allowed to enter discourse either, because we are often disqualified or excluded from dominant meanings, because what passes for theory these days is forbidden territory for us...."

There are many more forbidden territories both actual and imaginary and the European integration seems to multiply them. The agenda must include both their conquest and the attempt to eliminate their reproduction.

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Appendix

Diagram 1.The inter-Mediterranean trade (import-export) in 1990

Table 1

Population (millions)	1992	2010
EU	347	376
Mediterranean	209	304
central and eastern Europe	110	116

Table 2

Per Capita GDP	1992
EU	19.242 $
Mediterranean	1.589 $
central and eastern Europe	1.927 $

Table 3

Direct foreign investment	1992
Mediterranean	751 mil. ECU
central and eastern Europe	1.612 mil. ECU

Table 4

Immigrants in EU	1992
From Mediterranean	4.6 million
From eastern Europe	0.7 million

ECONOMIC AND PLANNING CONSEQUENCES FOR THE MEDITERRANEAN STATES OF EUROPE'S OPENING UP TO THE EAST

2. The importance for Europe of countries east of the Mediterranean basin

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Introduction: The European Union and its future enlargement

The European Union (EU) is emerging as a major regional association with increasing influence in world affairs. The global political and ideological transformation which followed the collapse of the Soviet Union have initiated an era of far reaching social and economic changes in the countries of Eastern Europe which are searching for new economic links and political alignments within the growing European trading zone. The gathering strength of liberalisation is also posing new challenges in the countries of the Mediterranean region which, despite their diverse development patterns and economic problems, seek opportunities to direct their future choices towards the political values and economic policies which have supported the growth of influence of Europe as a world economic power.

The present EU is the outcome of a process of evolution entailing both enlargement and deepening each part of the process making its own contributions to the strengths and weaknesses observed in the transition from European Community of six member countries established in 1958 to the European Union of fifteen members countries established by the Maastricht Treaty of 1992. The future expansion of the catchment of the European Union to the East of Europe and to the Mediterranean basin is a prospect of major concern just as much for the cohesion of the new Eastern members of the EU as for the collective identity of the EU itself whose future seems to depend not only on its economic power but primarily on putting together its own profile and deciding what it wants to be in cultural terms beyond its influence as a giant trading zone. The twin under-currents in the evolution of the EU of enlargement and deepening are not mutually exclusive choices but complementary priorities given the EU's commitment to foster closer links and more meaningful integration with countries which share at least some of the fundamental European values of democracy and human rights. Internal deepening of European cohesion is not and cannot be an end in itself since its importance is ultimately to enhance the effectiveness of Europe to address development problems both within the EU and further afield in countries which demonstrate a willingness to draw from, and add to, the European cohesion as a guideline principle for future social and economic development.

The enlargement of the EU is just as important for the strengthening of the European economy as it is for future cohesion of group of countries which share the cultural, political and economic vision of Europe as an association of global importance.

The evolution of the European Union

The establishment the European Union has gone through three phases of evolution: the establishment of the Economic Community (EC) in 1958 under the Treaty of Rome, the 1985 market unification under the 1985 Single European Act (SEA) and Economic Union established

by the Treaty of European Union in 1992. Today the European Union of fifteen member states, with a population of 376 million, has a market more populous than America's and more valuable than China's.

April 1951	European Coal & Steel Community, Treaty of Paris
January 1958	European Economic Community (EC), Treaty of Rome original EC - 6 members: Belgium, Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands
April 1965	Merger Treaty of Brussels (set up common institutions) - Council of the European Communities - Commission of the European Communities - Audit Board
January 1973	First enlargement EC - 9 entry of the United Kingdom, the Irish Republic, Denmark
January 1981	Second enlargement EC - 10 entry of Greece
January 1985	Single European Act
January 1986	Third enlargement EC - 12 entry of Portugal and Spain
January 1992	European Union (EU) Treaty of Maastricht
January 1994	Fourth enlargement EC - 15 entry of Sweden, Finland, Norway

The enlargement of the economic bonds of the EU in the Mediterranean region will add a new dimension to the EU's Mediterranean strategy. For the strategy to be effective many problems have to be addressed particularly in combining the desired economic advantages from trading relations with cultural cohesion and communality of political values. The Mediterranean is far from a homogeneous region containing economic and cultural diversities which are in some cases sharper than those existing within the EU, depending on the specific parts of the Mediterranean one chooses to consider. Just as it is, sometimes ambitious to view the EU as a truly integrated and cohesive economic union, so is the vision for a problem-free Mediterranean strategy. But then again, the issue is what kind of regional integration is envisaged and what kind of objectives are pursued. It is certain that the objective of a common economic market is easier to realise than a common political and cultural system.

The expected accession of **Cyprus** and **Malta** before the turn of the century should be considered as an enlargement adding much more to the cohesion of the EU than to its diversity. Both countries are geographically, culturally and economically closer to the present boundaries and institutions of the EU and as a result they are expected not only to enrich the deepening effort of the EU but also to act as poles of subsequent positive influence in the implementation of the Mediterranean strategy. Cyprus is a particularly promising country which can be seen as

a vehicle for strengthening the outreach of the EU further eastward to the Middle East given its high level of economic development, cultural heritage and its location – not further from the existing south-east most borders of the EU at the south Aegean Greek islands of Rhodes and Kastelorizo than the islands themselves are from Athens.

Forms of regional economic association

The EU as an economic entity contains various levels of economic association ranging from the minimum of free trade areas to maximum of complete integration with no definite time frame for the progression from the stage of free trading areas to full unification of economic policies. The simplified table below shows the progressive degrees of economic interdependence and policy harmonisation comprising the various forms of association existing between the EU and its members.

Table 1: Forms of regional economic association and their features

Forms	Free trade	Common external tariff	Free mobility of factors of production	Harmonisation of economic policy	Unification of economic policy
FTA	*				
CU	*	*			
CM	*	*	*		
EU	*	*	*	*	
EI	*	*	*	*	*

FTA = Free Trade AreaCU = Customs Union CM = Common Market
EU = Economic Union EI = Complete Economic Integration

Table 2: Basic statistics of the Community

Member country	Area (1000 sq.km)	Population (1000s 1990)	Employment (per cent 1990)			GDP per head[1]			Annual growth rate of GDP per head 1985-90	Gross value added by branch, 1989			Member' sshare in EC GDP, 1988	Foreign trade per cent of GDP, 1990	
			Agr.	Ind.	Serv.	PPS value	% on EC average	% on EC highest		Agr.	Ind.	Serv.		Imports	Exports
B	30.5	9.948	2.7	28.7	68.6	15,207	105	85	2.1	2.1	30.3	65.5	3.1	65.1	61.4
DK	43.1	5.135	5.7	25.6	68.7	15,539	107	87	1.1	4.6	27.1	68.3	2.3	24.7	27.0
D	356.6	79.113	3.4	39.8	56.8	16,954	117	94	1.6	1.6	39.4	59.1	25.3	23.0	27.0
E	504.8	38.925	11.8	33.4	54.8	10,925	75	61	2.2	4.9	35.3	59.7	7.1	17.1	11.9
F	549.1	56.577	6.1	29.9	64.0	16,157	111	90	1.3	3.6	30.3	66.2	19.9	19.5	18.6
GR	132.0	10.046	25.3	27.5	47.2	6,823	47	38	1.3	17.0	27.2	55.9	1.0	30.0	12.2
IRL	70.3	3.506	15.0	28.7	56.3	9,885	68	55	3.7	10.0	36.7	53.3	0.8	48.6	55.6
I	301.3	57.576	9.0	32.4	58.6	14,848	102	83	2.3	3.6	34.2	62.2	17.4	16.7	15.6
L	2.6	379	3.2	30.7	66.1	17,928	124	100	1.0	2.1	35.9	62.1	0.1	-[2]	-[2]
NL	41.5	14.893	4.6	26.3	69.1	14,614	101	81	0.9	4.7	32.4	62.8	4.8	48.6	48.7
P	92.1	9.878	17.8	34.9	47.3	8,136	56	45	4.6	6.3	37.7	56.0	0.9	41.6	27.3
UK	244.1	57.323	2.2	29.5	68.3	14,582	101	83	1.5	1.1	34.2	64.8	17.3	22.8	18.7
EC	**2,368.0**	**343.299**	**6.6**	**32.5**	**60.9**	**14,488**	**100**	**81**	**2.8**	**3.0**	**34.4**	**62.5**	**100.0**	**24.4**	**23.7**

[1]Current prices in ECUs, purchasing power standards (PPS).
[2]Luxembourg's trade figures included in Belgium's.

Sources:Eurostat (1992) *Basic Statistics of the Community,* 29th edn, Luxembourg; EC (1991) *Europe without Frontiers,* European Documentation, periodical 2/1989, Luxembourg.

Diversity within the EU

The statistics reveal considerable differences between countries comprising the EU (Table 2).

Physical size (area and population)

The smallest member in both area and population is Luxembourg, the largest in area is France and the largest in population is Germany. The Economic Community of 12 makes a market of more than 343 million people, nearly a third more than the population of the United States which is almost four times larger in area than the area of the 12 Economic Community countries.

Employment structure

In all the member countries the service sector predominates. Agriculture is the least important employment sector with important differences between countries: agriculture accounts for 25% of total employment in Greece and only 2% in the UK.

Economic size

Taking the Gross Domestic Product (GDP) as a measure of economic development, the least developed member is Greece reaching 38% of the level of Luxembourg which is the most developed. Within the group of 12, eight countries are above and four countries are below the average GDP per head. On the basis of income per head it is possible to distinguish three groups of countries reflecting three levels of development: the lower income group of Spain, Greece, Ireland and Portugal, the middle income group of Belgium, Italy, the Netherlands and the UK and the higher income group of Germany, Denmark, France and Luxembourg. In total the 12 Economic Community countries have a combined GDP of just under 30% of the global GDP. But the 4 of the 12 countries (Germany, France, Italy and the UK) account for 80% of the total Community GDP.

Composition of value added

As with the employment structure, the service sector produces the highest share of the value added. But agricultural value added is still important in Greece with 17%, Ireland with 10% and Portugal with 6%.

Openness to trade

On this count, the smaller and more developed countries are the most open to trade. Belgium being the most and Italy and Spain the least open to trade.

There are at least two important observations to be made from the above summary statistics:

a) the large economic size of the Community in the world economy;
b) the economic differences between individual countries and groups of countries.

Despite the economic differences the Community has moved further towards complete economic integration with the Treaty of Maastricht in 1992 establishing the European Union of fifteen members and the enlargement of its market in 1994 with the extension of the four fundamental freedoms of movement of goods, services, people and money to the "European Economic Area" including Austria, Finland, Norway, Sweden and Iceland.

The future role of the EU as a global power depends on its capacity to take itself into a organisation much more than a free market area. Its comparative advantage should extend beyond market gains and contribute to the dissemination of principles of cultural values and establishment of models of technical co-operation.

The commitment of the EU towards achieving this role is clearly reflected in the agreement of member states to apply two sets of policies, *(a)* common policies at the level of the EU and *(b)* closely co-ordinated national policies. The policy objectives promoted by the EU (shown below) illustrate the broadening scope of the EU policy objectives, including, other than trading considerations, social development, education and environmentally sustainable development.

- trade liberalisation;
- common commercial policy;
- free movement of goods, services, people and capital;
- measures on movement of people from outside the EU;
- common agricultural policy;
- common transport policy;
- competition policy;
- harmonisation of legal systems;
- social policy and cohesion (European Social Fund);
- environmental policy;
- industrial competitiveness;
- research and technological development;
- establishing trans-European networks;
- health protection;
- education and training;
- development co-operation and technical assistance;
- consumer protection;
- energy, civil protection and tourism.

The EU's Mediterranean enlargement

Following the accession to the European Community of Greece, Spain and Portugal, the term Mediterranean countries in the context of the future policies of the EU refers to the following non-member countries of the Mediterranean basin:

1. The Maghreb group: Algeria, Morocco and Tunisia;
2. The Mashreg group: Egypt, Jordan, Lebanon and Syria;
3. Cyprus, Malta and the countries of Former Yugoslavia, and
4. Turkey.

Nearly 10% of EU exports are directed to these countries which, in turn, sell over 50% of their exports to the EU. The restrictions imposed by the EU on imports of agricultural commodities under the EU's Common Agricultural Policy necessitated the establishment, for sometime now, of special trade relations with the Mediterranean countries to enable them to maintain access of their European export markets. In response to this need, the then European Community put into effect in 1987 the **Global Mediterranean Policy** consisting of bilateral trading agreements with each one of the Mediterranean countries based on different legal forms aiming to address country-specific economic concerns, within the broad framework of forms of associations outlined in Table 1 (Forms of Regional Economic Association and their Features).

The agreements with Cyprus and Malta focused on negotiations for setting up a Customs Union, both countries applied for full membership of the present EU in July 1990. In the case of Cyprus the application followed two years after the 1988 Cyprus-European Community Agreement under which Cyprus had agreed to remove customs duties on imports of industrial imports from the EC and adopt the common external tariff over a ten-year period.

Of the whole Mediterranean group of countries, Cyprus demonstrates an impressive record of economic performance.

Recent comparative statistics show the per head GDP of Cyprus to be 85% of that of Italy and 80% of that of France, both countries falling in the higher income group of the EU, and 156% that of Portugal, falling in the lower income group of the EU. Compared to Turkey the Cyprus GDP per head is two and a half time higher. All these indicators are on a purchasing power parity take into account the exchange value of the national currency. The gathering of some twenty-seven countries of the EU, the Middle East and North Africa in Barcelona in November 1995, acknowledged the EU's commitment to three fundamental principles of multilateral partnership: politics and security, economic and financial development and social, cultural and human rights. The prospect of a common bond among all the countries of the Mediterranean under all three of these principles implies an enormous task for the EU. The challenge is to put in place mechanisms to create conditions discouraging divergence from the EU ideals.

GDP per head $ 1993 (in PPP exchange rates)	
France	19,440
Italy	18,070
CYPRUS	15,470
Israel	14,890
Spain	13,310
Portugal	9,890
Greece	8,360
Malta	8,281
Turkey	5,550
Tunisia	5,070
Syria	4,960
Algeria	4,390
Jordan	4,010
Egypt	3,530
Morocco	3,270
Lebanon	2,500

Present EU financial assistance

Economic and financial assistance is one of the major instruments of fostering structural adjustments and internal policy reformulations in consistency with the economic cultural and political principles of multilateral partnership. The EU has committed nearly 5 billion ECUs (6 billion US$) in assistance to the Mediterranean countries up to 1999. The present level of development assistance to the Mediterranean countries and the respective EU trade surplus is shown in Fig.1.

Cyprus: A brief outline

Cyprus, with an area of 5,765 sq km, is the third largest island in the Mediterranean basin (Fig. 2 & 3). Its longest distance from the Akamas Peninsula in the west to the tip of the Karpas Peninsula in the east is about 226 km and its longest distance across, from Cape Kormakiti in the north to Cape Gata in the south, is about 97 km. The Cyprus coastline is some 784 km. The GDP is about 7000 million US $ and the population 602,000.

The Cyprus economy has overcome many serious constraints to reach its present high level of economic envelopment. Although the Turkish invasion of 1974 caused a severe recession, with the GDP reduced by 30% from the 1973 level, the economy recovered rapidly and by 1978 the pre-1974 output level was regained and full employment was restored. Economic recovery and subsequent growth were based on the expansion of the service sector in which tourism remains the main component. Growth in the tourism sector for more than a decade has been around 10% in real terms, accounting for 20% of the GDP. The whole service sector now stands at 70% of the GDP.

Sectoral Distribution of Gross Domestic Product (%) 1976-1995		
	1976	1995
Primary	18,4	6,0
Secondary	27,0	24,0
Tertiary	54,6	70,0

Source:Central Bank of Cyprus

The service sector covers trade, financial services, transport, telecommunications, administration, education and other professional services and hotels and restaurants. Excluding tourism (hotels and restaurants) the rest of the service sector accounts for 44% of the GDP, increased from 34% in 1976.

The sectors of trade and finance & insurance are already larger than tourism reflecting both the secondary impacts of tourism but also the increasing importance of Cyprus as a regional financial centre.

GDP in the Service Sector (million Cyprus Pounds)	
Trade	300
Transport & Comm.	258
Finance & Insurance	390
Community services	155
Hotels & Restaurants	210
Manufacturing	290

Off-shore activities have been one of the main sources of growth in finance and insurance. There are over 1,000 off-shore units operating offices in Cyprus, while new registrations during 1995 reached over 4,000. About 60% of the off-shore offices are in trade, marketing and distribution, 20% in management and related consultancy services and the rest in maritime services and banking.

The importance of the service sector in the Cyprus economy is also shown by the rapid growth of the export of services. Of the total invisible receipts, excluding transfers, of 1,500 million pounds in 1994, about 810 million were from tourism and 690 million from professional services. It is therefore justified to regard Cyprus, despite its small size and the continued political problem imposed by the Turkish invasion of 1974, as an evolving regional financial and service centre capable of providing links between the EU and the countries of the Middle East and Eastern Europe. The factors which have contributed to the emergence of this role in Cyprus are strongly connected to qualitative aspects of development such as highly qualified professional manpower, very good living conditions, a deeply rooted European cultural outlook and a highly developed business and financial sector. According to the 1994 Human Development Index prepared by the United Nations Development Programme (UNDP), Cyprus is included in the High Human Development Group with a score of 0.973 occupying the 26th position out of a total of 173 countries **(Human Development Report, 1994, UNDP) (Appendix II).**

As mentioned earlier, Cyprus has applied for EU membership in 1990 and is actively engaged in efforts for policy and legal alignment with the EU framework. The expected accession of Cyprus and Malta just before the end of the century will be a major turning point in the history of Cyprus but will also be not a small step in the EU's own growth process through a Mediterranean Strategy capable of combining trade enlargement with cultural deepening objectives. The social value of the Mediterranean Strategy would depend on the cultural cohesion of the new partners with the existing members of the EU. Without cohesion at the grass-roots level the Mediterranean Strategy will at best remain a trade effort without distinguishing significance in social and cultural terms.

EU - Mediterranean co-operation: problems, responses and prospects

Political and economic change across the eastern Mediterranean is rapid. The political changes in Europe towards trade liberalisation and democratic rule have led to the transformation of pre-1990 political alignments and the search for representative democracy.

Market economies are replacing centralised systems of economic organisation encouraged by wider political changes towards liberalisation and greater reliance on private sector initiatives, despite these broad changes, each country is seeking its own national brand of adjustment to the international economic setting. The role of the EU is to provide the framework for stronger linkages with the expanding European trading zones including much needed support to the national policy reform efforts in the direction of making economic socially and environmentally sustainable. Trade is therefore one component in the Mediterranean strategy. The question is whether an exclusive emphasis on trade, which appears to be the immediate concern of the European multi-national industrial giants, would be to the best interest of the Mediterranean countries, and whether it would help the region develop its comparative advantages. It is crucial that the EU should assist the Mediterranean region to offer far more than a growing market outlet for the industrial corporations of Europe. If the vision of Mediterranean Strategy is limited to the ambition of a "single market" the association will produce a centre-periphery relationship gradually determining the investment and production patterns in the Mediterranean according to what will be economically viable in the context of this relationship. The Mediterranean Strategy needs to be versatile, multi-dimensional and above all focused on the varied development concerns of the region with emphasis on human development, protection of human rights and the conservation of natural resources and cultural heritage.

At present the EU trade surplus with the Mediterranean countries runs at 10-12 billion ECUs (Fig. 1) reflecting the technological advantages of the EU and the agricultural orientation of the Mediterranean economies. There are several concerns to which appropriate responses should be planned. Apart from security and democratic government, which are basic and intrinsically important pre-conditions for any form of development compatible with European social institutions, the main elements of the Mediterranean Strategy should include a closer identification of the comparative advantages of the region and diversification in the agricultural, tourism and service sectors, development of regional financial centres in countries with a comparative advantage within the region, and regional exchanges for capacity-building for effective environmental management and sustainable urban growth. The pre-occupation with trade expansion based on the centre-periphery model will create important benefits for Europe but isolated opportunities for sustainable economic and social development in the Mediterranean countries most of which will be unable to diversify their agricultural, tourism and service sector potential without financial assistance and technical support. Even the sustainability of the European-side trade growth objective will be an uncertain prospect without programmes for creating new sources of purchasing power amongst the urban poor and the subsistence farming communities and policies for the restructuring of the small enterprise sector, which will be wiped out by trade liberalisation, and strengthening of environmental management to cope with the impacts of tourism, population growth, urbanisation and infrastructure development.

The enlargement of the EU to the eastern Mediterranean should aim at a two-way flow of benefits and cultural interaction. The apparent pluralism of the region entails many challenges given the many and diverse social, economic and political levels and tendencies hidden behind the numerical market size of the region. But the EU is itself a pluralistic society with disparities which sometimes invite references to "concentric circles of commitment", "multi-speed performance" or "countries being more equal than others". Also, the EU, although a single market securing freedom of movement of goods, services, labour and capital, lacks a common foreign policy or security system to enforce respect of its borders, as demonstrated by the recent Turkish claims to Greek island territory in the Aegean within the EU. However, the EU has a tradition for dealing with regional disparities and has evolved budgetary mechanisms in support of less developed agricultural zones as well as regional programmes for the Mediterranean, both

of which seek to establish conditions for reducing disparities and enhancing cohesion. Prime examples of such mechanisms are the European Regional Development Fund (ERDF) and the Structural Fund, and the European Mediterranean Environmental Programmes such as the Mediterranean Action Plan (MAP) and the Mediterranean Environmental Technical Assistance Programme (METAP).

The European Regional Development Fund (ERDF)

The ERDF is the mechanism for supporting regional development policies. In 1989 it has gone through far reaching reforms, since its establishment in 1975, as part of the complete overhaul of the Structural Funds comprising the ERDF, the ESF and the Guidance Section of the Agricultural Guidance and Guarantee Fund (EAGGF), to act in a closely co-ordinated manner with a common set of objectives. Of particular importance is Objective 1 targeted on lagging regions of Spain, Greece, Italy and Portugal. Part of the regional planning process of the EU is the setting up of Community Support Framework (CSF) for each region to provide specific financial assistance in the context of Operational Programmes (OP) and Community Initiatives (Cis).

The Mediterranean Action Plan (MAP)

The MAP is the outcome of the Barcelona Convention for the Protection of the Mediterranean Sea of 1976 which provided a framework for regional co-operation among Mediterranean countries for environmental action in addressing mounting pollution and other environmental degradation threats. The MAP includes a programme for pollution monitoring (MED POL) a socio-economic research programme (Blue Plan) and priority actions programme (PAP) and several special programmes for protected areas, oil pollution, historic sites and institutional support. The Blue Plan and the PAP are particularly prominent programmes covering eighteen coastal countries in the Mediterranean (Fig. 2 & 3). The Blue Plan was launched in 1979 and completed a regional survey detailing economic and environmental trends, projections and future scenarios in the Mediterranean. The PAP focuses on priority actions which promote through the Coastal Area Management Programme integrated coastal zone management projects, including the Island of Rhodes, the Izmir Bay, Kastela Bay and the Syrian coastal region.

The Mediterranean Environmental Technical Assistance Programme (METAP)

The METAP, launched in 1990, is an initiative of the European Investment Bank (EIB) in partnership with the World Bank, UNDP and the EU to implement environmental actions directed towards arresting environmental “hot spots” and capacity building for environmental management. It covers thirteen countries, namely Albania, Algeria, Croatia, Cyprus, Egypt, Jordan, Lebanon, Morocco, palestine Authority, Slovenia, Syria, Tunisia and Turkey. The METAP has responded to the growing environmental threats in the Mediterranean entering now into its Third Phase (1966-1999) as illustrated by the rapid growth of the urban population, unsustainable pressures on municipal services, shortage of safe drinking water and inadequate waste disposal practices. For example, the urban population in the Mediterranean has grown over the span of one generation from 40 million to 125 million far outpacing the service delivery capacities of municipal governments. About 35 million people have no access to safe drinking water and 60 million lack safe sanitation. Only 15% of urban wastewater in the south eastern part is treated. Unsustainable urban and other development is reflected in a combined cost of environmental degradation approximating $ 10 billion a year, equal to 3 per cent of the GDP of the southern and eastern rim countries.

Cyprus has benefited and actively contributed to both the MAP and the METAP. Cypriot consultants have participated in the MAP activities in Rhodes and Syria and in the METAP projects in Albania and Cyprus. On the basis of this experience it would be useful to identify some broad areas of activity in which the eastern Mediterranean countries could make potential contributions to the vision which must exist if Europe is to assume any significance over and above trade flows and capital mobilisation.

Regionally relevant sustainable development planning guidelines

Income growth will always be a major policy goal everywhere. Urban poverty and environmental degradation which threaten the quality of life in any parts of the region are serious setbacks for social and economic development that often require cross-border actions. Responsibility for confronting low income and environmental conservation should fall on all the resource-rich countries which aspire to form market agreements with countries which lack the necessary financial resources to effectively address these problems. Economic growth policies alone are inadequate to ensure sustainable development without planning policies for the protection of coastal and terrestrial resources. Integrated planning policies are needed to combine economic development with social equity and environmental management so that short and medium term economic gains are reconciled with the welfare of future generations. The planning principles of sustainable development should be put into practical actions entailing the formulation of methodologies and mechanisms which are adapted to the national and local context of countries with pressing development priorities and a rapidly changing institutional structure. Most of the technical assistance programmes already in place in many Mediterranean countries have contributed to the formulation of sustainable development strategies which should now be followed up by national and local governments. Planning strategies are the only the first step towards sustainable development; enforcement of planning controls and implementation of environmental protection investments are, more often than not, the real constraining factor that needs more attention than in the past. There are three main planning objectives that should be incorporated in environmental strategies:

- **First**, strategies should be **integrated** in the sense that they should be cross-sectoral and deal with all resource use conflicts from water use and agriculture to wastewater disposal and protection of the aquifer, and from industrial development and employment generation to pollution control, monitoring and traffic management.

- **Second**, strategies should be **participatory** providing for maximum involvement of national experts in the development of policies so that follow-up actions will carry the conviction and support of the national and local authorities which will implement them.

- **Third**, strategies should include as one of their major component an **investment portfolio** to indicate priorities and the domestic resource deficit to be covered by external financial assistance.

There are several planning studies in various parts of the Mediterranean region which make significant contributions to the practical application of the methodology of sustainable development, each one adapting the principles of sustainable development to the particular problems of the specific country setting. Examples of such planning studies include the following:

a) The Akamas Peninsula Conservation Plan in Cyprus:

This study has been prepared between 1993-1995 under the METAP programme by a joint World Bank team of international and national consultants and proposed a strategy for the conservation of the ecosystems of the Akamas Peninsula in the Paphos District in the northwest of Cyprus. The proposed conservation plan incorporates together with the measures for the protection and enhancement of the area's natural resources, a detailed action programme for the sustainable development of the declining rural communities and an investment plan identifying priority projects and funding needs.

b) The Integrated Planning Study for the Island of Rhodes:

The study is part of the activities of the Coastal Area Management Programme of UNEP's Mediterranean Actions Plan. The study, prepared between 1991-1994, considered all the environmental conflicts and constraints in the Island of Rhodes, traced their origins in the resource use practices in various sectors (water, coastal development, urban land use, energy, liquid and solid waste disposal, tourism, etc.) and developed sustainable development strategies and an outline programme for follow-up investment actions.

c) The Syrian Coastal Region Study:

Also part of the Coastal Area Management Programme of UNEP's Mediterranean Actions Plan, undertaken in two phases by joint teams of international and national experts during 1989-1992 to provide an integrated strategy to be used as a framework for continuous planning and management actions in coastal zone protection, land use planning, water management, tourism, environmental impact assessment and the application of a GIS system.

Bridges to Africa and Asia

Cyprus and Malta partly due to their historical ties with the Commonwealth but largely due to their present economic level could take advantage of their geographical location and act as European stepping stones for the vast but diverse markets of many African and Asian countries with Commonwealth affiliations, such as Kenya, Uganda, Tanzania, Zimbabwe, Zambia, Botswana, Nigeria, Ghana, India, Pakistan, etc. In the field of financial and technical support services Cyprus is involved in joint ventures in eastern European and Asian countries. Cyprus-based consulting firms have recently expanded their activities to central and eastern Europe utilising the services of Cypriot university graduates from these countries. A case in point is the agreement between Cyprus and Russia for co-operation in the development of the **Krasnodar** area of south Russia involving, among other things, joint ventures between the Cyprus Development Bank, the European bank of Reconstruction and Development, the Commercial bank of Greece and Russian banks for the establishment of a corresponding Development Bank in Krasnodar.

Cultural exchanges

Despite the persistence of the division of Cyprus keeping the Greek and the Turkish communities apart, Cyprus as a future Federal Republic will be even better equipped, in addition to the already strong cultural ties with Greece, to foster closer links with neighbouring Muslim countries, including Turkey. This of course requires good-will on the part of Turkey to withdraw its troops from Cyprus helping towards increasing economic ties and trust between

the two communities in Cyprus.

Research networking

Israel has a long tradition of research and development in many scientific fields particularly in water conservation, irrigation technology, agriculture and more recently in computer technology. The Peace Process between Israel and its neighbours will open up avenues for initiatives promoting research "networking" between firms, universities and business NGOs with applications to many fields of manufacturing, agriculture and telecommunications.

There are no recipes for a successful European Strategy for the whole of the Mediterranean and there are not ready-made models to which East Mediterranean countries should conform in order to precipitate entry into the EU. Each country should consider its own future and how that future will be obtained, secured and improved within a framework of alignments with the EU. The experiences within the EU itself demonstrate that there is no established all-purpose stereotype institutional structure identifying the profile of Europe; the EU itself is, naturally, adjusting and refining its own mechanisms and policies and is trying to define what it represents to its own members and to other countries. The Maastricht Treaty came into effect at a time coinciding with the worse recession since the 1930s. Foreign and security policy launched by the Maastricht Treaty was challenged by the Bosnian crisis. The efforts towards economic and monetary union (EMU) were sidetracked by high interest rates in Germany. Of the 282 measures needed to create the single market, about 222 have to be incorporated into legislation in the member countries. Only half of these measures have been passed by all 12 member states. If there is one single factor which makes the EU meaningful this is the set of political and cultural values which, when followed, lead to democratic government and protection of human rights. Actions from the EU to foster commitment to these values and reforms which build and strengthen representative institutions in prospective member countries are the best guidelines to the adjustment process to be pursued by individual countries wishing to contribute first to their own future and to the future of the EU.

APPENDIX I

CYPRUS: BASIC ECONOMIC INDICATORS (1993)	
1. GDP (current market prices)	6963 million US $
2. GDP (constant 1985 prices)	5017 million US $
3. GDP growth (1988-1993)% p.a. (constant 1985 prices)	5.5
4. Population (1992 Census)	602,000
5. GDP per capita (current prices)	11,566
6. Private Consumption Expenditure (constant 1985 prices)	3096 million US $
7. Gross Fixed Investment (constant 1985 prices)	1054 million US $
8. Savings / GDP%	22.5
9. Investment / GDP%	23.5
10. Unemployment%	2.7
11. Inflation (1988-1993)	4.9
12. Exports	430.5 million US $
13. Imports	2400 million US $
14. Trade Balance	1970 million US $
15. Foreign Exchange Reserves - Import coverage (months)	15
16. Foreign Debt / GDP%	31.7
17. Foreign Debt Service%	13.3
18. Budget Deficit / GDP%	2.4
19. Public Debt / GDP%	59.2

APPENDIX II HUMAN DEVELOPMENT INDEX All countries

HDI rank	Life expect-ancy at birth years 1992	Adult literacy rate % 1992	Mean years of schooling 1992	Literacy index	Schooling index	Educational at-tainment 1992	Real GDP per capita (ppp$) 1991	Adjus-ted real GDP per capita	Human development index 1992	GNP per capita rank minus HDI rank
High human development	74,1	97,3	9,8				14,000		0,886	
1 Canada	77,2	99,0	12,2	0,99	0,82	2,80	19,320	5,347	0,932	10
2 Switzerland	77,8	99,0	11,6	0,99	0,77	2,75	21,780	5,370	0,931	-1
3 Japan	78,6	99,0	10,8	0,99	0,72	2,70	19,390	5,347	0,929	0
4 Sweden	77,7	99,0	11,4	0,99	0,76	2,74	17,490	5,342	0,928	0
5 Norway	76,9	99,0	12,1	0,99	0,80	2,78	17,170	5,341	0,928	0
6 France	76,6	99,0	12,0	0,99	0,80	2,78	18,430	5,345	0,927	7
7 Australia	76,7	99,0	12,0	0,99	0,80	2,78	16,680	5,339	0,926	11
8 USA	75,6	99,0	12,4	0,99	0,83	2,81	22,130	5,371	0,925	1
9 Netherlands	77,2	99,0	11,1	0,99	0,74	2,72	16,820	5,340	0,923	7
10 United Kingdom	75,8	99,0	11,7	0,99	0,78	2,76	16,340	5,337	0,919	9
11 Germany	75,6	99,0	11,6	0,99	0,77	2,75	19,770	5,347	0,918	1
12 Austria	75,7	99,0	11,4	0,99	0,76	2,74	17,690	5,343	0,917	2
13 Belgium	75,7	99,0	11,2	0,99	0,75	2,73	17,510	5,342	0,916	2
14 Iceland	78,1	99,0	9,2	0,99	0,61	2,59	17,480	5,342	0,914	-6
15 Denmark	75,3	99,0	11,0	0,99	0,73	2,71	17,480	5,343	0,912	-8
16 Finland	75,4	99,0	10,9	0,99	0,72	2,70	16,130	5,336	0,911	-10
17 Luxembourg	75,2	99,0	10,5	0,99	0,70	2,68	20,800	5,364	0,908	-15
18 New Zealand	75,3	99,0	10,7	0,99	0,71	2,69	13,970	5,310	0,907	6
19 Israel	76,2	95,0	10,2	0,95	0,68	2,58	13,460	5,307	0,900	6
20 Barbados	75,3	99,0	9,4	0,99	0,63	2,61	9,667	5,255	0,894	14
21 Ireland	75,0	99,0	8,9	0,99	0,60	2,58	11,430	5,295	0,892	6
22 Italy	76,9	97,4	7,5	0,97	0,50	2,45	17,040	5,340	0,891	-5
23 Spain	77,4	98,0	6,9	0,98	0,46	2,42	12,670	5,303	0,888	0
24 Hong Kong	77,4	90,0	7,2	0,90	0,48	2,28	18,520	5,345	0,875	-2
25 Greece	77,3	93,8	7,0	0,94	0,46	2,34	7,680	5,221	0,874	10
26 Cyprus	**76,7**	**94,0**	**7,0**	**0,94**	**0,47**	**2,35**	**9,844**	**5,257**	**0,873**	**4**
27 Czechoslovakia	72,1	99,0	9,2	0,99	0,62	2,60	6,570	5,196	0,872	29
28 Lithuania	72,6	98,4	9,0	0,98	0,60	2,57	5,410	5,154	0,868	35
29 Estonia	71,2	99,0	9,0	0,99	0,60	2,58	8,090	5,229	0,867	15
30 Latvia	71,0	99,0	9,0	0,99	0,60	2,58	7,540	5,218	0,865	15
31 Hungary	70,1	99,0	9,8	0,99	0,65	2,63	6,080	5,182	0,863	23
32 Korea, Rep. of	70,4	96,8	9,3	0,97	0,62	2,55	8,320	5,233	0,859	4
33 Uruguay	72,4	96,5	8,1	0,97	0,54	2,47	6,670	5,199	0,859	20
34 Russian Federation	70,0	98,7	9,0	0,99	0,60	2,57	6,930	5,205	0,858	15
35 Trinidad and Tobago	70,9	96,0	8,4	0,96	0,56	2,48	8,380	5,234	0,855	11
36 Bahamas	71,9	99,0	6,2	0,99	0,41	2,39	12,000	5,299	0,854	-10
37 Argentina	71,1	95,5	9,2	0,96	0,62	2,53	5,120	5,120	0,853	6
38 Chile	71,9	93,8	7,8	0,94	0,52	2,39	7,060	5,208	0,848	28
39 Costa Rica	76,0	93,2	5,7	0,93	0,38	2,24	5,100	5,100	0,848	36
40 Belarus	71,0	97,9	7,0	0,98	0,47	2,42	6,850	5,203	0,847	10
41 Malta	75,7	87,0	6,1	0,87	0,41	2,15	7,575	5,219	0,843	-9
42 Portugal	74,4	86,2	6,4	0,86	0,43	2,15	9,450	5,252	0,838	-5
43 Singapore	74,2	92,0	4,0	0,92	0,27	2,11	14,734	5,313	0,836	-22
44 Brunei Darussalam	74,0	86,0	5,0	0,86	0,33	2,05	14,000	5,310	0,829	-15
45 Ukraine	70,0	95,0	6,0	0,95	0,40	2,30	5,180	5,135	0,823	23
46 Venezuela	70,1	89,0	6,5	0,89	0,43	2,21	8,120	5,230	0,820	9
47 Panama	72,5	89,6	6,8	0,90	0,45	2,25	4,910	4,910	0,816	23
48 Bulgaria	71,9	94,0	7,0	0,93	0,47	2,33	4,813	4,813	0,815	28
49 Poland	71,5	99,0	8,2	0,99	0,54	2,52	4,500	4,500	0,815	30
50 Colombia	69,0	87,4	7,5	0,87	0,50	2,25	5,460	5,157	0,813	41
51 Kuwait	74,6	73,9	5,5	0,74	0,37	1,85	13,126	5,306	0,809	-23
52 Mexico	69,9	88,6	4,9	0,89	0,32	2,10	7,170	5,211	0,804	-1
53 Armenia	72,0	98,8	5,0	0,99	0,33	2,31	4,610	4,610	0,801	20
Medium human development	68,0	80,4	4,8				3,420		0,649	
54 Thailand	68,7	93,8	3,9	0,94	0,26	2,14	5,270	5,144	0,798	28
55 Antigua and Barbuda	74,0	96,0	4,6	0,96	0,31	2,23	4,500	4,500	0,796	-15
56 Qatar	69,6	79,0	5,8	0,79	0,39	1,97	14,000	5,310	0,795	-36
57 Malaysia	70,4	80,0	5,6	0,80	0,37	1,97	7,400	5,215	0,794	4
58 Bahrain	71,0	79,0	4,3	0,79	0,29	1,87	11,536	5,296	0,791	-25
59 Fiji	71,1	87,0	5,1	0,87	0,34	2,08	4,858	4,858	0,787	15
60 Mauritius	69,6	79,9	4,1	0,80	0,28	1,87	7,178	5,211	0,778	5
61 Kazakhstan	69,0	97,5	5,0	0,98	0,33	2,28	4,490	4,490	0,774	10
62 United Arab Emirates	70,8	65,0	5,6	0,65	0,37	1,67	17,000	5,340	0,771	-52
63 Brazil	65,8	82,1	4,0	0,82	0,27	1,91	5,240	5,142	0,756	-11
64 Dominica	72,0	97,0	4,7	0,97	0,31	2,25	3,900	3,900	0,749	-2
65 Jamaica	73,3	98,5	5,3	0,99	0,35	2,32	3,670	3,670	0,749	22
66 Georgia	73,0	99,0	5,0	0,99	0,33	2,31	3,670	3,670	0,747	14
67 Saudi Arabia	68,7	64,1	3,9	0,64	0,26	1,54	10,850	5,289	0,742	-36
68 Turkey	66,7	81,9	3,6	0,82	0,24	1,88	4,840	4,840	0,739	10

THEME 2

MEDITERRANEAN INTERREGIONAL CO-OPERATION AND EUROPEAN NETWORKS BETWEEN MEDIUM-SIZED TOWNS ON THE SHORES OF THE MEDITERRANEAN

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MEDITERRANEAN INTERREGIONAL CO-OPERATION AND EUROPEAN NETWORKS BETWEEN MEDIUM-SIZED TOWNS ON THE SHORES OF THE MEDITERRANEAN

1. MEDPLUS: the future development programme of the Mediterranean regions

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BRIEF REVIEW – TODAY'S POLITICAL FRAMEWORK

Today the regions around the Mediterranean are no longer cast in the role of being the most privileged areas in relation to others, a role they had for more than 3000 years.

In other words, the Mediterranean has long ceased to be the centre of the earth, and by denying its historical vocation and with continuous spiritual and cultural contributions, has helped to create a more multi-centred world.

The pioneers of European integration were already aware of this fact and one of the aims set out in the foundation contract was the creation of a social Europe.

However, 38 years after the Treaty of Rome, the regional imbalances in Europe, the variations as much in the development procedure as in the standard of living have not only not been reduced but on the contrary have become worse.

This situation did not arise without objections. Since the seventies, many voices have been heard warning of the danger of creating inequalities by expanding an aged Europe unable to renew itself.

In 1975, the Council of Europe organised the first "conference on the regional management of undeveloped European regions" in Galway, Ireland. The proceedings ended by clarifying the distinction between the central area and the regions and the contrast between "the polygon of large urban centres where population, political power and economic means are assembled" and that which was called the "Europe of second velocity".

In Bordeaux, in February 1978, the regions of the Council of Europe produced a second declaration in which they put forward their demand for Europe to become a "Europe of regions".

Since the beginning of the seventies, the "Conference of Peripheral Maritime Regions" (CPMR) has devoted its work to pursuing the aim of regional rebalance, and the entire regional

movement which it founded followed this objective.

The new democratically elected European Parliament played a positive role in this objective, and in the eighties, the committee dealing with regional policies promoted analysis and awareness of regional and economic inequality.

The European Commission and the Council of Europe were finally obliged to face this problem which is fundamental for the existence of the community.

In the eighties, regional policies became more and more interesting, and during the last years of the decade, regional development was put on the agenda by both bodies and important studies were carried out from which useful conclusions must be drawn. The White Paper on "development, competitiveness, employment" emphasised regional inequalities and introduced a powerful element of regional development which aims at a competitive economy based on a model of productive development with obvious territorial implications. "Europe 2000" showed new variations in regional development, confirming the relevant scenarios. It gave the necessary instigation to political action, which had materialised at many councils among those Ministers entrusted with regional development, until at the council in Leipzig in September 1994, a new version "Europe 2000+" was examined and the relevant orientation given to the "European Area Development Plan".

Yet, supranational activity and internal interregional collaboration is not enough for the development of an area which is becoming more and more spherical, more and more communicative. The eastern European countries on the one hand and the Mediterranean basin on the other constitute interrelated problems and impose solutions based on the vision of the expansion and convergence of the European and Mediterranean areas.

The attention of Brussels is focused on expansion to the East replacing former anxieties about the vulnerable South. During the Greek and French presidencies of the Union, the demand for the strengthening of Mediterranean policies was verified in order to ensure greater balance.

The Synod of Essen decided to act and to give significant funds to the "Euromediterranean collaboration".

The Commission presented its proposals on the subject on March 8th 1995 and proposed the regulation MEDA to the Council of Ministers on June 9th.

Last November the Spanish presidency organised the Euromediterranean meeting in Barcelona and the present Italian presidency will bring to a close the successful period of four Mediterranean presidencies. The Mediterranean regions therefore want to benefit from this favourable juncture and join all their efforts to take advantage of the present opportunities so that the Mediterranean zone may again be part of European and world competition, based on a new pattern of regional development as well as on internal and external interregional collaboration.

THE SOCIO-ECONOMIC SITUATION OF THE REGIONS MEDPLUS – PROBLEMS AND WEAKNESSES

The thirty-nine regions of the Intermediterranean Committee of the CPMR cover 90% of the total Mediterranean coastal area of community Europe. This area represented 92.3 million inhabitants in 1991 and covers an area of more than 650,000 km^2, that is 26.5% of the population of the Europe of the 12 and 27.4% of its surface area.

This area, which extends 3300 km from West to East, and mostly belongs to objective 1 of the structural funds is faced with the possibility of common challenges and a common standpoint against Northern Europe.

Despite the existing regional inequalities amongst these regions, the subject is completely suitable for the perception of a strategic interregional collaboration through the MEDPLUS programme. Some key indicators will be examined which will allow a first objective look at the regional socio-economic complementation or disproportions.

a. Area and population

During the eighties, almost all the MEDPLUS regions experienced positive demographic progress. The percentage of demographic increase is sometimes shown as particularly high in relation to the community average (0.3%), especially in southern France and Spain and in certain areas of Greece.

The density in these areas is due to intense diversification. More than half of the thirty-nine regions have a population density of less than 100 inhabitants /km^2. Greek regions play a large part in these findings. About fifteen regions show a density greater than 150 inhabitants/km^2. However their significance is often obscured by intense differences between the coastal and inland areas. Another interesting fact which characterises all Mediterranean areas is the large extent of urbanisation and the emergence of metropolises. The intense demographic and land development was followed to a slight extent or not at all by an attempt at planning. The latter creates significant economic, social and environmental problems, mainly in the coastal zones.

A new wave of emigration during the last ten years, maybe less, is also worth pointing out. This phenomenon has two main characteristics: on the one hand one is witnessing a wave of emigration within Europe from the North to the South, and on the other the Mediterranean is facing intense pressure from emigrants from its southern and eastern coasts, from the Balkan peninsula, the Middle East and Asia.

b. Gross regional products

In relation to the community average which is estimated on a scale of 100 (Europe of the 12), the average of the Mediterranean regions as regards the gross domestic product (GDP) is placed at 76.

The ten least prosperous regions are placed at an average of 56, that is almost half the

community average. In 1991, only ten regions were placed above the European average regarding the GDP. They were Italian regions, all situated in the central and northern parts of the peninsula, and the French PACA (Provence-Alpes-Cote d'Azur). This disturbing factor is to be found in the recent development of the GDP in those areas. In actual fact, during the periods 86-88 and 89-91, 25 regions saw a decrease in their GDP, including six of the ten regions placed above the community average.

This seems to confirm a gap between Mediterranean regions and the rest of Europe on the one hand (the average in relation to Europe went from 78 to 76), but also one between the regions themselves. Thus, Catalonia saw a rise in the GDP from 83.9 to 92.7, while during the same period East Macedonia-Thrace went down from 56.1 to 43.3. The difference between these two regions grew by twenty points in only three years.

c. Areas of activity – employment and unemployment

Particularly intense agriculture continues to be one of the main characteristics of the area. In actual fact, in 1991, it represented 17% of the employment rate as against a community average (Europe of the 12) of 6.4%, a high percentage of employment but not accompanied by corresponding productivity.

The percentage of employment in industry is 6 units below the community average (27% as against 33%) and in services 4 units (56% as against 60%).

Therefore even here one can see huge variations between different regions. On general lines they fall into three categories:

1. The regions in which agriculture plays a dominant role

Agriculture represents between 25 and 45% of the total employment rate, the tertiary sector between 35 and 50% and industry remains stable at about 20%. This mainly concerns Greek regions.

2. The regions with dominant tertiary sector

These can be divided into two sub-divisions:

- those regions where agriculture remains intense, that is between 10 and 20% of the total employment rate and where industry remains at a relatively low level (about 20% of total employment). This concerns the southern regions of Italy, Spain and Portugal;

- those regions where the tertiary sector is intensely over-represented (sometimes more than 70% of the total employment rate). This concerns the three French regions and those of Latsio, Attica and Liguria.

3. The regions with extensive industry

Although few in number, some regions in the MEDPLUS programme exceed the community average as regards industry. This concerns main development centres in the area. Thus, the employment rate in industry is more than 40% in Catalonia, Piemont, Lombardy and Venice. Five other Italian regions and Valence follow as regards industrial development.

The problem of employment is one of the most serious in the Mediterranean. The percentages of unemployment show great variations, greater than other parameters. In relation to a community average of 100 during the years 1991-1992-1993, the percentage varies between 40 in the Algarve and 290 in Andalucia. As a whole, the average of the regions always remains above that of the community with an average rate of almost 116.

This situation with its sharp contrasts does not seem to be developing very positively as regards coherence. Regions which took advantage of structural funds, tend to see their situation worsening over the last few years, while in contrast the regions, which have now withdrawn from the structural reclassifications, observe an improvement in the percentage of unemployment in relation to the community average.

This variation which is occurring more and more in the area of the Mediterranean, is not without danger over the next few years, and it may induce investigation into new ways of collaboration between Mediterranean regions on this particular subject.

The preceding analysis is a summary of a more general presentation of the socio-economic situation of the Mediterranean regions, as in the final report of the MEDPLUS programme. In brief, the problems which are apparent from the reading of the study are:

- structural unemployment mainly among young people, made worse by today"s crisis;
- significant de-industrialisation and an inability to offer services in industry;
- the beginning of a crisis and a loss of competitiveness in tourism;
- inefficiency of the substructural networks;
- detrimental specialisation in transport with emphasis on road transportation and saturation of the communications systems;
- weak agricultural structures, subsidised and with continuous loss of competitiveness;
- serious ecological crisis: soil erosion, atmospheric and water pollution, urban pollution, desertion of mountain and inland areas, coastal urbanisation for profiteering caused at the same time by de-industrialisation and mass tourism, sudden serious problems with drinking water;
- crisis in the protective social system in many regions and lack of state intervention;

– less efficiency in state administration and obvious lack of local programmes.

As is emphasised in the study, over the next few years the Mediterranean regions will face the danger of the following developments:

– the danger of segmentation of the Mediterranean which will occur in the absence of true collaboration between regions facing common problems;

– the relationship between these regions will be in danger of being limited to a common standpoint against the northern European regions, which contains the risk for the south of an aspect of antagonism and dependent economies;

– the fear of "continuous regionalisation" in southern Europe which would be the outcome of a relatively large demographic increase, a lack of foreign investments, a very small increase in the community financial resources, maintenance of same unemployment levels and standard of living;

– this situation would result in a "community centre - region" which in the best case would attract new investment to benefit from cheap labour, but with a research and development system and activation of the financial resources dependent on the centre;

– an increasing dependence on central Europe. This dependence would be much greater in the absence of strong political integration. The southern regions would be dragged along by central Europe and gradually would be cut off in the Mediterranean where they would sink into underdevelopment and crisis;

– an excessive coastalisation which would only create antagonism between the Mediterranean coasts and the towns, with increasing traffic on coastal road networks, without any real structure between development and territorial arrangements.

If these dangers become imminent, strategy must be drawn up to deal with them.

MEDPLUS: A NEW PLAN FOR DEVELOPMENT BASED ON TERRITORIAL ARRANGEMENT

The emergence of this situation must of course be investigated within the development plan implemented in Europe. Consequently this plan must be modified.

Territorial arrangement in conjunction with the suitable environmental, economic and social policies may contribute to the overcoming of the disadvantages and to the elimination of the danger. According to the suggestions in the White Paper, the aims of competitiveness and employment must be pursued, but the harmonious development of the regions must also be aimed at in such a way that they are not left on the fringe. Polycentric development must also be sought for, in which the Mediterranean would be a zone for rebalancing and regional

collaboration.

Approaching the regions must be in this case the reference point. This approach signifies structural development, the strengthening and balancing of human potential, ecological management of development, a change in education and mentality.

One such prospect must bring about corresponding research into greater European integration which would mean research into cohesion between north and south and the need for a Mediterranean region, no longer opposed to the north but supplementary to it.

Within this general framework, eight strategic focal points have been drawn up which must be given first priority within the MEDPLUS programme.

POINT 1 : SUPPORT FOR THE DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES/SMALL AND MEDIUM INDUSTRIES.

The Mediterranean regions are characterised by the existence of a network of businesses which is essentially made up of small and medium-sized firms. These firms and industries play an important role in the economy of these regions as they represent a significant part of salaried employment and over the last few years have created the largest number of jobs.

Generally speaking, the small and medium-sized firms and industries in the Mediterranean regions have to face a certain number of difficulties related either to the nature of the enterprises themselves, or to their being geographically on the fringe. In the first category, difficulties are experienced in gaining access to capital markets, accessing modern technology, financing research and development, exporting and conquering new markets beyond national borders. These structural difficulties, are accompanied by further difficulties due to the geographical isolation of these regions, which include:

- increased transportation tax on products transported to large European centres and difficulties related to the irregular service to these regions from large development centres in northern Europe;
- the difficulty of accession and full participation of these businesses in information and exchange networks concerning technological alertness and access to markets.

Within this definition, assistance for the network of small and medium-sized firms seems essential for the economic progress of the Mediterranean regions. The planned action can be divided into two measures:

Measure 1.1: Strengthening of information systems, access to markets and sector policies of the small and medium sized firms/small and medium industries in the Mediterranean.

Creation of added value is planned for the expansion of local and regional enterprises which advise small and medium-sized firms/industries, amongst which the Business Innovation Centres. Also support of the existing confederate structures (especially the European Business

Network) for the reinforcement of access to the markets and a sector policy for the small and medium-sized firms in the Mediterranean.

Measure 1.2: Strengthening of collaboration in each sector of activity between the north and south coasts of the Mediterranean.

This refers to the transference of technology from European Mediterranean regions to countries on the south and east coasts of the Mediterranean with regard to material/clothing, agricultural foods, electrical/electronic goods, as well as the realisation of common business openings towards certain markets outside Europe.

POINT 2: SUPPORT FOR MODERNISATION PROCEDURES AND TRANSFERENCE OF TECHNOLOGY

Measure 2.1: Implementation of a coordinated design for universities and research potential in the Mediterranean.

Planned action:

- creation of a common outline on higher education and research/technology to clarify general aims and means;

- effective co-ordination of regional higher education and research/technology;

- formulation of a realistic strategic standpoint for the Mediterranean regions as regards the needs and expectations of economic authorities, especially of the small and medium enterprises;

- formulation of a realistic strategic standpoint for the Mediterranean regions as regards the regions of Northern Europe.

Measure 2.2: Strengthening of the Mediterranean networks of research and technology.

This measure aims at perfecting the expansion of Mediterranean techno-cities and research centres and the support of the agronomic and agricultural industry network which was formed as part of the GEIE "Mediterranean Bow of Technology".

Measure 2.3: Realisation of a programme for the transference of technology.

Support for the development of agricultural food industries in the Mediterranean (plan ADIAM) is planned, as is the development of collaboration between businesses and research centres on the north coast and those on the south and east coasts of the Mediterranean.

POINT 3: DEVELOPMENT OF EDUCATIONAL AND HUMAN RESOURCE POLICIES

This will have two specific parts. The first concerns initial education and in particular higher

education. The expansion of all institutions, universities and research centres will be systematically looked into so as to limit competition and discover all the opportunities for collaboration. This phase will be followed by an exchange of students, teachers and education which will allow students to choose their specialisation from a complete range of subjects.

The second part is that of continuous professional training. A network of all interested parties and especially of further education centres is to be aimed at. This could be accompanied by the implementation of a special system which would allow people to be educated at an institution no matter which region they come from.

The subject concerning education and training is one of the priorities in Euromediterranean collaboration. Although the problem is more serious on the south and east coasts, it is undoubtedly a matter concerning the whole of the Mediterranean.

An attempt will be made to look into certain initiatives in these countries, such as :

– exchange of information on systems and policies in force;

– exchange of instructors and trainers;

– participation of the members involved in the MEDPLUS programme in the fight against illiteracy on the south and east coasts.

It seems essential therefore that in each of the development points a thematic unity in education must be provided for that will respond to the demands and special needs of each measure as part of the new principle that governs the new policy of the Structural Funds.

POINT 4: AN ACTIVE SUPPORT POLICY FOR FARMING AND FISHING

Measure 4.1: Strengthening of a policy on a quality and research-technology policy for Mediterranean farming products.

This measure aims at strengthening and systemising a policy on quality for Mediterranean products. This could perhaps take the form of European names showing origin.

Planned action:

– Diet Med programme (evaluation and distribution of scientific results concerning Mediterranean dietetics);

– creation of European names showing quality and origin of certain products.

Measure 4.2: Strengthening of policies on access to markets for Mediterranean farming products.

This concerns support for the development of Mediterranean farming products especially through promotion and commercialisation, such as:

– information campaign for promotion of Mediterranean products, and

– more possibilities for the distribution of technical and commercial information to those interested, especially to farming companies and agricultural food industries.

Measure 4.3: Better organisation of access to markets for fishing products.

This measure aims at laying the foundations for the modernisation of the business and distribution networks of Mediterranean fishing products. It also aims at making the special qualities of these products known all over Europe where there is generally a great degree of competitiveness.

The following activities are planned:

– steps to be made towards the organisation of the commercialisation and distribution networks for Mediterranean fish products;

– creation of a familiar label for Mediterranean fishing products.

Measure 4.4: Development of Mediterranean fish-farming potential.

This measure must allow the creation of the appropriate conditions for the continuous development of fish-farming in the Mediterranean.

The main activities planned are:

– the solution of the different problems connected with the management of space must be deliberated and put into practice;

– special research is to be carried out into probable future implications of fish-farming;

– realisation of programmes for the transference of technology.

POINT 5: STRENGTHENING OF INTERREGIONAL POLICIES ON THE MANAGEMENT OF THE ENVIRONMENT AND TRANSPORT

Measure 5.1: Preparation of support for Mediterranean economic axis in view of the year 2000 as part of the prospect of expansion and Euromediterranean collaboration.

The aim of this measure for Mediterranean regions is the continuation of discussion on the

formulation of a Mediterranean economic axis in collaboration with member states, the European Commission and the southern and eastern coastal areas of the Mediterranean. The aim is that they will participate in the better co-ordination of the activities of the different institutional bodies in the area.
This venture demands therefore the continuation and strengthening of work already undertaken by the European Commission as part of "Europe 2000+", the observation and continuation of deliberations soon to be submitted by the member states as part of thematic unit C of INTERREG II and finally, confirmation of great interest in the programmes which aim at the better integration of Mediterranean coastal economies (MED OUVERTURE and in particular the MEDA programme).

This can be seen as a deep involvement of the regions in the implementation of particular acts of collaboration in different sectors referring to the problematic management of the environment, as well as their increased presence in the prospects for the south and north coastal areas of the Mediterranean.

Measure 5.2: Formulation of a managerial plan for the development of transport infrastructure.

The different diagnoses made on the state of the transport infrastructure in the Mediterranean area verified certain points which have to do with:

- the deficiencies in the transport infrastructure in Mediterranean regions compared with central Europe and the problems of non-continuation of road and mainly railway networks;

- the over-concentration of transport in coastal zones;

- the small amount of regional air transport.

These verifications were the object of a proposal-decision by the Council of Europe and the European Parliament on the development of an Inter-European transport network which has been fully accepted.

On the basis of these different projects and proposals, it seems essential today that Mediterranean regions should proceed with a coordinated programme for the improvement of these infrastructures. To this effect, two fundamental facts stand out:

1) Concern for the common development of various planned ground transport infrastructures with recognition of strategic priority junctions.

2) Incorporation within the same reasoning of important lines to supplement sea and air transport, taking care that they must complement other means of transport.

Therefore, a very detailed analysis of the prospective development of connecting transport systems in the Mediterranean must take precedence. This investigation will aim at reaching

specific proposals on the organisation of transport infrastructures in the Mediterranean, infrastructures which will be able to be exploited by all Mediterranean regions in co-ordination with interested member states and the European Commission.

Measure 5.3: Realisation of a European project on the management of both land and sea environments in the Mediterranean.

The aim of this measure will be the improvement and co-ordination of knowledge of methods of limitation and pressure which affect sea transport and combined land/sea transport, so as to specify the area in which combined public policies can be conceived and developed to a greater degree of success. To reach this point many versions are still expected in relation mainly to the strategies to be adopted by the big shipowners.

Main activities planned:

Three stages are necessary for the implementation of such a procedure: a stage for observation and diagnosis, a second for the creation and observation of the plans and, finally, a stage for processing management plans. They may refer to the following topics:

– the possibility of using fast ships in the Mediterranean (coastal lines);

– the organisation of traffic flow and reduction of traffic load;

– the development of support systems (development of combined transport, strategic, technical conditions);

– the behaviour of shippers and main shipowners;

– the reliability of the systems and the modernisation of equipment.

Measure 5.4: Modernisation programme for ports in the Mediterranean.

Planned action:

– safety systems for sea navigation (coastal and port VTS, SRS);

– information systems on leisure ships;

– continuation of pilot programme NTMN for information systems between carriers and partners;

– information and telematic integration for different port systems;

– systems connected with the conservation of the environment.

Measure 5.5: Realisation of pilot plans for the management of the environment in the Mediterranean.

Many sectors of collaboration may be considered as having immediate priority, taking into consideration the special characteristics of the Mediterranean region, but without these being limiting.

– towns – management problems as well as matters of housing and social policies, etc.;

– the environment and especially the problems of coastalisation and management of the water, within a wider and geographical perception of the problems;

– the problems of communication between towns and the interior areas;

– the problems of the islands.

POINT 6: FACING ENVIRONMENTAL PROBLEMS

Measure 6.1: Programmes for the comprehensive management of Mediterranean coastal zones.

Many coastal zones in the Mediterranean have ascertained a deterioration in the environment and in their natural resources. Although there are many financial and legal means for the incorporation of the environmental problem as essential basis into economic and social development, this is still not possible for reasons connected mainly with difficulties of co-ordination in the decision-making procedures.

The European Commission and especially the General Directorates of the environment and of Regional Policies took this problem into serious consideration, so justifying the presence today of a programme demonstrating the comprehensive management of coastal zones. Such an undertaking would aim at excellent co-ordination of the decision-making procedures which put in danger the relations between human activity and space. It can only proceed if instigated by parties which intervene directly or indirectly in the matter, and are of either an institutional, political, economic, scientific or even government nature. The realisation of such a demonstration programme must follow the methodology clarified by the Commission, with respect to the following four phases, according to the progress report of each interested region:

– descriptive phase (state of environment, natural procedures, human activity);

– analytical phase (relation between cause and result);

– phase of co-ordination (co-ordination of parties);

– phase of results (plans and programmes – spread of know-how).

Measure 6.2: Implementation and co-ordination of an environmental data base for the management of the natural areas of the Mediterranean (GIS.)

The aim of this measure consists in the co-ordination of all environmental bodies so as to form a common data base of which the base will be created from work undertaken on a European level (data base CORINE).

Activities planned within this measure include:

– the definition of the rules of collection and processing of information;

– methodological proposals for the use of information;

– production of methodological guides to define common working systems.

The implementation of this data base may refer in particular to the following topics:

– topography;

– vegetation;

– protected natural areas;
– land and natural areas;

– infrastructures;

– different sources of pollution (sea, coastal, atmospheric sources, sewage, etc.).

Measure 6.3: Creation of a map of the Mediterranean landscape.

The idea of landscape takes on a special meaning in the Mediterranean not only from the aspect of the environment, but as regards common culture and recognition both in and out of the area.

It would be interesting if a true common methodology were implemented which would allow the systematic incorporation of the idea of landscape into the potential of regional development and management. To this extent, two goals seem necessary. One concerns better scientific knowledge of methods of developing the landscape, while the other defines precisely the different mutual areas of intervention which could be the relationship between the landscape on the one hand, and the planning of environmental and farming work on the other.

Planned activities:

– implementation of common criteria of intervention;

– creation of technical means and support programmes in planning policies;

– development of training programmes and exchange of experience;

– development of pilot plans.

Measure 6.4: Prevention and protection against floods

Main planned activities:

– processing of a common diagnosis on the whole of the European Mediterranean basin;

– transference of experiences on answers given, in order to confront the problem;

– knowledge and recording of the danger (case studies of different types of drainage basins, enforcement of modern methods of prevention);

– management of water flow, streams and dangers;

– recognition of prevention techniques which must be enforced in areas threatened by flooding.

Measure 6.5: Management of water resources

The enforcement of specific solutions is obstructed as much by funding problems which need large investments, as by the study of new methods of approach which can be enriched by the exchange of experiences, as much among the European Mediterranean regions themselves as between them and the southern and eastern coastal areas of the Mediterranean..

Planned action:

– development and expansion of HYDRE programme (improvement of analysis, development of ways of observing the problem, implementation of pilot experiences);

– study on problems of “eutrophication”, analysis and evaluation of causes and results of eutrophication, study of regulations, means of confrontation, studies of corresponding locations (natural lakes, reservoirs, coastal lagoons), processing of a report;

– recognition of possibilities available from the transference of resources between drainage basins: appreciation of space, typology of transference (within regions, inter-regionally, internationally), regulations, analysis and proposals for operational conditions which will allow transference to be carried out on a technical and institutional level.

POINT 7: UTILISATION OF TRADITIONAL CULTURAL AND TOURIST RESOURCES TO THEIR BEST ADVANTAGE

Measure 7.1: Implementation of a policy on the diversification of Mediterranean tourist products, based on the development of the tourist heritage.

Collaboration on an inter-regional basis (via article 10 of The European Regional Development Funds) on the following topics:

- historical and architectural heritage (urban, archaeological, religious, and maritime, in connection with the special characteristics of the Mediterranean world);
- handicraft and industrial heritage;
- traditional Mediterranean festivals.

POINT 8: MORE INTENSE DEVELOPMENT OF THE REGIONS WITHIN THE MEDPLUS PROGRAMME IN EUROMEDITERRANEAN POLICIES

As point 3, point 8 can be incorporated into the other thematic points. Special attention is given to greater participation of Mediterranean regions in new collaboration in connection with the suitability of themes chosen. This intervention can only be reinforced within the framework of the forthcoming implementation of the MEDA programme.

MEDPLUS AND INTERREGIONAL COLLABORATION – DIFFICULTIES IN THE DEVELOPMENT OF THE PROGRAMME

From this brief presentation of the MEDPLUS programme it can be perceived that the programme is not concerned with large structural projects, as the regions in Aim 1 have become accustomed to seeing since the time of the Mediterranean Integrated Programmes, that is in the last decade. This programme is a plus to the assistance offered by the structural funds and is based on the common action of Mediterranean regions and on interregional collaboration. Interregional collaboration represents without doubt a specific tool for use in the initiation of a new policy of land planning management in the Mediterranean zone and more generally all over Europe.

This is the opinion of the Economic and Social Committee and the position undertaken by the Conference of Peripheral Maritime Regions of the European Union. In order for extensive collaboration on land planning management to be feasible, initiative must be taken on the subject of an interregional collaboration network, which will allow funding to large areas (Atlantic Bow, North Sea, Mediterranean) for more ambitious plans than those in article 10 of the European Regional Development Funds.

Unfortunately, the revision of article 10 of the European Regional Development Funds creates serious and dangerous difficulties for the regions as regards the realisation of spherical land

planning in large areas (exactly as proposed by MEDPLUS). Indeed, along with the revision it was decided that there should be no direct negotiations in future between the Commission and groups from the regions.

On the basis of article 10, requests for a show of interest are being made by the DG XVI of the European Commission on eight points of collaboration and each plan which includes a programme for regional development must be specially presented. This means the end of every design and examination of development plans on a homogenous and spherical basis. This involves strengthening the power of member states against the Commission in order to weaken its negotiating role as well as that of the regions. Indeed the revision of INTERREG II does not foresee interregional collaboration, but instead collaboration between states.

The regions consequently insist that these developments stop as they are contrary to their interests and that serious thought is given to regional policies in view of the aim of economic and social cohesion and of European regional development.

This report concludes by reiterating that the MEDPLUS programme is made up of the collective efforts of all the Mediterranean regions as a result of a year of fruitful meetings. It provides models of extensive harmonious interregional collaboration aimed at the development of the Mediterranean area.

This programme can be considered a true success and an exemplary working method. Hopefully its aims will be achieved, surpassing any difficulties met along the way and any problems arising from the new regulations.

MEDITERRANEAN INTERREGIONAL CO-OPERATION AND EUROPEAN NETWORKS BETWEEN MEDIUM-SIZED TOWNS ON THE SHORES OF THE MEDITERRANEAN

2. Strategies for setting up and co-ordinating a network of towns of interest to tourists in the Mediterranean basin

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1. INTRODUCTION

Urban tourism is considered to one of the most rapidly expanding segments of the global tourism market. Both its leisure as well as its business component have demonstrated to possess much dynamism. Although the economic recession has meant, at least for Europe, a slowing down of the pace of expansion, it is clear now that this stagnation has proved to be temporary. The recovery of the global economy has immediately resulted in a renewed growth of tourism demand and cities in particular benefit from this trend.

It may be assumed that cities will remain privileged destinations, since tourists are increasingly interested in culture, in heritage and in reasonably priced, but qualitatively good secondary tourism products and will continue to go on shorter, but more frequent vacations, which will typically be city trips.

However, truly beneficial tourism development does not come automatic. Cities need to prepare themselves to use these opportunities properly. In Europe, there are still many cities that possess hardly utilised opportunities for tourism development. In the same time, there are a number of European cities that are suffering from excessive tourism demand. Much will depend on the cities' abilities to react to the challenges urban tourism offers.

The purpose of this contribution is to briefly discuss the role of networks of tourism cities in achieving levels of sustainable tourism development.

2. SUSTAINABLE URBAN TOURISM DEVELOPMENT

Sustainability has become a central issue in much of today's tourism development literature. However, the application of the concept of sustainable tourism development has often been limited to natural environments, that is rural or other non-urban areas. Only recently has it been recognised that the concept can be applied to the urban environment as well.

It has been mentioned that tourism changes a local society and that sustainability is very much connected with such changes or, more precisely, with "acceptable" change. Not only does the local society continuously undergo changes, tourism in the destination itself tends to change over time. The development process of any tourist location may be represented cyclically. This "life-cycle theory" of tourist destinations derives from the life-cycle concept used by marketeers to describe the fluctuations in the sales volume of a product. Instead of the quantity of products sold, the life-cycle theory of tourist locations uses the number of visitors as the indicator.

In its most elementary formulation, the life-cycle theory of tourist locations shows that, in the absence of drastic external interventions, the number of visitors changes cyclically. Initially, the locality that stimulates tourism experiences a very slow rise in the number of visitors. In the second stage, tourism is booming, while in the third stage growth stagnates and turns into decline (the fourth stage). Not only does the volume of the visitor flow change over the cycle, but also its composition (i.e. the ratio of tourists to excursionists). Since different types of visitors generate different positive and negative impacts, costs and benefits vary over the different stages of the cycle.

Growth in tourism demand will positively affect income and employment levels of a relevant part of the population. At the same time, increasing numbers of visitors will generate negative effects, or "costs" borne by the physical and cultural environment, the local population and the visitors themselves. By comparing benefits and costs in each heritage city, it is possible to determine whether tourist flows are either insufficiently voluminous or excessive. In reality, the assessment of the benefits and the costs of tourism is difficult because there are several "parties" involved, which perceive benefits and costs in a different manner.

The concept of sustainability – in terms of desirable or acceptable change, as Wall suggested – and the life-cycle of the tourist destination are closely related. If tourism development gets stuck in the initial stage, investments are unable to trigger the social and economic change desired. There are too few visitors, and the opportunities that tourism offers are not fully used. Tourism is costing the destination money. If growth in tourism demand is such that the quality and accessibility of attractions are compromised, the society and eventually even tourism suffer and change is no longer acceptable. Then, tourism demand has become excessive, and, instead of delivering growth, it threatens the society's continuity.

2.1. Tourism development in heritage cities

The European heritage cities – or art cities – are huge concentrations of material and immaterial cultural heritage. They are the world's incubators of social, economic and cultural innovation. This cultural riches yearly attracts millions of visitors, a number that is expected to continue to grow. As was mentioned before, these visitors generate benefits and costs. In order

to understand what the impact is of tourism in art cities and to formulate a policy that maximizes positive and minimizes negative effect of tourism, CISET of the University of Venice performed an international comparative investigation into tourism in Aix-en-Provence, Amsterdam, Bruges, Florence, Oxford, Salzburg and Venice, tourism cities *par excellence* (Van der Borg, Gotti, 1995).

It is not easy to establish what exactly the pressure on a society or a city is. One way of quantifying the pressure is by calculating the visitors/residents ratios for the seven case studies; it is thus possible to perceive how the different cities bear varying dimensions of visitor impact. With more than 89 visitors per inhabitant, Venice's historical core is by far the most "mature" of the seven destinations. It is the city that most clearly represents what the term "touristification" means for an urban area. Salzburg and Bruges follow at a distance. Amsterdam and, to a lesser extent, Aix-en-Provence and Florence, do not seem to be under extreme pressure from tourism. If one observes the more homogenous indexes at the municipality scale, then Venice's 27.6 visitors per inhabitant comes much closer to Bruges and Salzburg, with 23 and 36 visitors per inhabitant respectively. All cities exhibit the same phenomenon due to the fact that their well-preserved historical centres have become "cultural resorts" attracting a significant proportion of excursionists. The lower ratio observed in Aix-en-Provence and Oxford is due to the fact that the number of visitors (tourists and excursionists) is not yet as important as in the other cities.

Despite their reputations as cities of art, the tourist function of Florence and Amsterdam is proportionally minor in respect to their political, administrative, educational, economic and of course residential roles. In fact, although they benefit from large numbers of visitors, their vast resident populations numerically offset the social impact of tourism on the urban area. Being cities with a large, diversified economy, they are less vulnerable than the smaller heritage cities.

Of course, these indices are just indicators of the relative weight of tourism on the heritage cities. They symbolise a whole range of problems, of negative externalities. Most of them are impossible to quantify. The following is but a tentative list of problems observed for the cities included in the investigation:

- Aix-en-Provence is overcrowded in the summer months;
- the center of Amsterdam has serious parking problems;
- Bruges has problems with traffic all year around, but especially during weekends and holidays. Its center is losing inhabitants and economic activities. Hotels and souvenir shops take their place;
- Florence loses many opportunities tourism offers due to poor urban management;
- Oxford's most famous University Colleges are threatened by huge visitor flows. Its inner city is congested with tourist buses;
- Salzburg, like Bruges, has a serious traffic problem, caused by the huge number of tourist buses delivering excursionists during the summer months. The centre of the Austrian city suffers from crowding out of residents and of businesses as well;

– the historical centre of Venice is becoming a mono-culture. Congestion suffocates economic activities and affects the quality of life of inhabitants.

Interest in heritage cities is growing. This not only causes an increase in the number of traditional tourists, but also in the number of excursionists. The share of excursionism in tourism demand is already considerable in the seven cities studied. Moreover, the continuous expansion of the number of hotel beds has led to diminishing occupancy rates, explaining the ongoing intensification of promotional activities.

This all leads to excessive pressure on the more vulnerable heritage cities, menacing the vitality of the local economies, the integrity of the heritage and the quality of life of residents. The problems the considered cities are faced with, either caused or aggravated by tourism, can be summarized as follows: traffic and parking problems, pollution, crowding out, occasional irritation of the local population and “tear and wear” of heritage.

The answer to the above-mentioned problems in the different cities is schematized in the table below.

Tourism management in practice

Measures taken	control	stimulus
Aix-en-Provence	-none	-alternative walks
Amsterdam	-n.a.*	-n.a.*
Bruges	-traffic plan -excursionist bus restrictions	-trips to the periphery
Florence	-traffic plan	-alternative routes -promotion of alternative attractions -off season events
Oxford	-entrance fee at some Colleges	-alternative walks
Salzburg	-traffic plan -excursionist bus restrictions	-alternative walks -off season events
Venice	-limited number of hotel beds -restricted access to Piazzale Roma	-alternative walks -promotion of alternative attractions

* n.a.: not available

Source: Various publications, elaborated by CISET

The measures that are supposed to stimulate dispersion of tourism demand in time (initiatives to render the low season more attractive, for example) or in space (alternative routes) tend to be implemented by public and private bodies together. However, their promotional aspect is still dominant.

In reality, none of the measures listed before did not help to reduce the dimension and/or change the composition of visitor flows. Only the bus plan implemented in Salzburg helped to reduce some of the negative consequences of unbalanced tourism development. This explains the negative scores for all cities but Salzburg. Venice has been exploring a system to make visitors book their trip to the city, issuing a “Venice Card”. This Venice Card will be free of charge and facultative, give considerable discounts and offer visitors access to museums and attractions that would otherwise remain closed. Without the card it will still be possible to visit Venice. It has to be turned into a strong enough incentive to stop people improvising and to

start planning their visit to the city. This promising project is still in its infancy. Nevertheless, some form of flexible control is needed because it is less important to launch initiatives to maximize (private) economic gains than to try to minimize (public) costs in order to maintain the long-term profitable sustainability of tourism.

Having recognized the social and economic impacts on urban systems, it is surprising to note that, even in these highly-reputed international destinations, tourism is still treated as a self-maintainable activity and is thus left to itself. The real problem is that the cities' policy makers are unable to respond properly because they do not appreciate the "soft" sphere of tourism issues. They are generally effective on "hard" issues such as parking lots and congress centres. However, they are not equipped to handle the management of the multiple variables associated with tourism in cities of art.

2.2. Tourism development in emerging tourism destinations

This section sums up the principal results of the EURICUR study of tourism in emerging destinations (Van den Berg, Van der Borg and Van der Meer, 1995). It is based on eight case studies concerning Antwerp, Copenhagen, Edinburgh, Genoa, Glasgow, Hamburg, Lyon and Rotterdam. Of these, only Copenhagen and Edinburgh are at an advanced stage of tourism development, while the others entered the tourist market only recently. As could be expected, none of these towns, not even Copenhagen and Edinburgh, appear among the so-called European urban "bestsellers", that is to say, destinations of city trips which are automatically included in the folders and brochures of the average European tour operator (Van der Borg, 1994).

All cities are visited by leisure as well as business travellers, but the ratio varies enormously from one town to another. In Lyon, over 90% of the overnight visitors are business travellers; for Edinburgh the corresponding percentage is 30%. Business and leisure travellers have widely different perceptions related to their different motivations. To business travellers such elements as international accessibility, the quality of exhibition halls and congress facilities, and the presence of internationally oriented economic activities are very important aspects. Cities with a weak tourist attraction but sufficient (business) potential, may well appeal to business travellers, who from the cities' point of view are advantageous in that their daily expenditure tends to be much higher than that of other visitors.

The shares of domestic and foreign visitors also vary widely among the eight towns. Actually, the more popular urban destinations display a larger share of foreign visitors. Especially day trippers are often compatriots from the surrounding regions; Antwerp is an exception, because it receives many day trippers from the Netherlands. The domestic market often appears easier to work than the foreign one. Not only are the promotion campaigns often cheaper for practical reasons, the domestic market also tends to be better informed and thus easier to convince of the opportunities a city offers.

Most cities prefer overnight tourism to day tourism. Overnight tourists spend more than day trippers. In some cities the marketing strategy is therefore explicitly directed to the attraction of overnight tourists.
Edinburgh, Hamburg, Copenhagen and Lyons record the most overnight stays. However, in Lyon the proportion of leisure tourists is only 1 out of 10, against 9 out of 10 business visitors.

In Hamburg the corresponding percentages are 30 and 70. Hamburg and Lyon generate much business tourism. Edinburgh has the highest proportion of leisure tourists, namely, 7 out of ten. Given the high total number of overnight stays, Edinburgh is unquestionably the most important tourist city of the eight that have been studied. In Copenhagen and Antwerp, business tourism, at 65%, is strongly represented as well. It is remarkable that the world port and business city of Rotterdam generates so little business tourism as compared to other commercial cities like Hamburg and Lyon.

The towns where leisure tourism is strongly developed, namely Copenhagen and Edinburgh, stand out by an attractive primary product, an adequate offer of complementary tourist products, a fair image, a positive or neutral score on the factors external accessibility, and a neutral score on the factor internal accessibility. They record not a single negative score on any factor.

Despite the presence of an attractive primary tourist product, urban leisure tourism has failed to take off in Lyon, Genoa, Antwerp and Rotterdam. The hypothesis adopted in the investigation that the attraction of the tourist product is determined not only by the quality of the primary tourist product but also by such aspects as the quality of the complementary tourist product, the city's image, the internal accessibility of the tourist product and the external accessibility of the city, seems to be confirmed by the outcomes of the investigation.
In Lyon, Genoa and Rotterdam, three towns with a good primary tourist product but without leisure tourism to speak of, the image of the town appears to be negative. By contrast, the cities with a positive development of urban leisure tourism, namely Edinburgh and Copenhagen, have a positive image. So, a city's image seems to be crucial to the development of urban leisure tourism.

The negative image of the towns in question is decided by such factors as lack of tourist ambience, unfamiliarity of potential visitors with the product, bad access, etc., aspects which are reflected in the low score on the tourist product's internal accessibility and hence a low score on the attraction of the urban tourist product. The evolution in Lyon suggests that a negative image is a serious drag on the development of leisure tourism, but does not necessarily affect business tourism.

To judge from the thriving business tourism in Hamburg, neither the lack of an attractive primary tourist product nor a negative image need hamper a favourable development of business tourism. In Hamburg, it springs from the structure of the Hamburg economy, with many companies and agencies generating business visits, the presence of a fairly large airport, an attractive array of such complementary products as hotels, restaurants, congress and exhibition accommodations, and an effective policy towards the organisation of congresses and exhibitions.

Some cities have tried to stimulate urban tourism by an active policy. The organisation of events has been crucial to their efforts. Glasgow and Antwerp, for instance, have both been "Cultural Capital of Europe" (in 1990 and 1993, respectively). The primary effect of such mega-events on urban tourism is considerable. Both in Antwerp and in Glasgow their organisation has brought forth a better primary product, a better secondary product, better internal accessibility of the tourist product, and a better image of the city.

Nevertheless, an important conclusion from the investigation is that large-scale once-only

events do not make a fundamental contribution to the local tourist industry unless they fit into a long-term strategy which also provides for a follow-up. Failing that, the surplus capacity created to meet the incidental growth of demand tends to carry in its wake a clearly perceptible deterioration of the tourist industry's performance. Smaller annually repeated festivals fitting in with the development and the strategy are indeed to be preferred. The success of the Edinburgh Festival supports that conclusion.

In terms of business tourism the expectation is warranted that the industrial and harbour towns tend to profit most from opportunities offered by the principal local economic sectors to stage congresses, fairs and exhibitions around themes that concern them. From the study, especially Hamburg and Lyon appear to take advantage of such opportunities, whereas Antwerp, Genoa and Rotterdam seem to make only moderate capital out of them.

Given the significance of the city's image for urban tourism, it is important to acknowledge that the image is determined in part by the overall development of a town. The government therefore needs to understand that its overall policy affects the city's image and thus the total attractiveness of its tourist product. From the Glasgow experience, a tourist policy can be frustrated by a lack of social support in the city's own region.

The experiences of Edinburgh and Copenhagen have shown that a position in the market of urban tourism, once established, may fall into jeopardy unless the product, the image, the internal accessibility of the product and the external access to the city are constantly upgraded. The intensifying competition on the market of urban tourism just increases the need for an active policy.

The study has revealed that a favourable development of urban tourism requires adequate collaboration between the local and regional government and tourist enterprise in the different sectors. The staging of great events can work as a catalyst on the development of structural partnership between the public and private sectors and also among public authorities themselves.

Hamburg shows how the development of business tourism can also be an incentive to improve the primary and secondary tourist products and in that way make the place more and more attractive as a destination for leisure tourists.

The research has also revealed that the proportion of day trippers in the total number of tourists visiting cities is relatively high. Thus, in 1990, Antwerp recorded 3.3 million day trippers and 1.25 million overnight stays (hotel and other accommodations, see case study). However, the economic significance of day trippers is limited: 3.3 million day trippers correspond to an expenditure volume of 3,200 million francs, while 1.25 million overnight tourists accounted for a turnover of 5,400 million francs. An inquiry in Antwerp has shown further that the daily outlay of leisure tourists staying overnight is only three fifths of that of business tourists. So, to stimulate business tourism seems economically more attractive.

The significance now attached to tourism is not always explicitly expressed in the towns' strategic policy, the obvious result being that tourist policy is rarely an element of overall urban policy. In consequence, the potential which leisure and tourism undoubtedly possess to boost the city's revitalisation process is not always exploited to the utmost. However, to make

optimum use of the cities' potential, to set the development of tourism in motion at the right moment is not enough; it should also be carefully guided through all its stages. That requires much from a region's organising capacity with respect to tourism, the more so as the tourist product is a highly fragmented and intricate composition of a large number of elements and relevant sectors and locations.

The tourist policy should reflect that complexity by taking into account the relations between the relevant elements of the private and public sectors at the different sites of tourist interest. The quality of the total product depends strongly on that of the elements and the synergism between them. Quality control of all the elements of the product will in the end benefit the entire sector. Partnerships, public-public as well as public-private, are eminently suitable to meet in practice the need for overall quality and integration, and thus add to the organising capacity of an urban region. In most towns the government joins forces with private enterprise. Mostly the partnership is informal or *ad hoc* (taking the shape, for instance, of umbrella tourist committees).

The organisation, financial structure, responsibilities of the staff and the role of the tourist offices varies much. In some cities the tourist office has been the motor behind the development of tourism; in others it is no more than an executive organ of the municipal tourist service. The budgets of the different tourist offices vary much in size. Antwerp is clearly least endowed; the Scottish tourist boards have the most generous budgets. That of the Copenhagen tourist office is being doubled by the national government for three years from 1992 onwards. In that period a new structure is to be developed which enables the tourist office to continue under its own sail. Often the larger portion of the budget is spent on staff expenses.

In Antwerp the organising capacity received a powerful impulse from the organisation of the cultural year in 1993. At present the effectiveness seems to be ebbing away because the future course is obscure. Rotterdam suffers from poor internal accessibility of the tourist product and an indifferent image. Recently, however, Rotterdam has greatly improved its tourism organising capacity by bringing the fragmented actors and budgets under one heading and enlisting them to support an overall regional tourist strategy. As a result, the tourist future of Rotterdam can be envisaged with some optimism.

Glasgow seems to have limited opportunities for leisure tourism to grow, especially with the highly successful tourist city of Edinburgh so close. Glasgow seems to have forfeited chances by leaving Edinburgh outside the strategy for future tourism. On top of that the development of adequate congress facilities in Edinburgh threatens to undermine Glasgow's position on that score. Glasgow's strong suit is its outstanding organising capacity.

In short, emerging urban tourism destinations consider tourism a welcome integration of their shrinking, though still relatively broad, economic base. They see tourism as one of the instruments to stimulate revitalization, together with innovative secondary and tertiary activities. If they succeed in improving their generally bad image, in affirming the uniqueness of their primary tourism product and in keeping the attractions accessible, the upcoming tourist cities may succeed in exceeding the critical – minimum – threshold of sustainability of tourism development, that is in hosting enough visitors to compensate for the efforts needed to attract them.

3. TOURISM CITIES AND NETWORKING

3.1. The importance of strategic networks

"Strategic networking" is often mentioned as the solution for a multitude of management problems that cities currently are confronted with. A strategic network can be defined as a "structural, long term co-operation between independent partners, from a coherent view of the future, with clear objectives and with mutual interests served". It is thus very different from the other type of network, the hierarchical one.

A fundamental precondition for a successful partnership of cities is the existence of complementarity, which in principle guarantees the emergence of mutual interests and objectives, that then have to be furthered by the partnership.

The objectives of a network usually are: promote ongoing co-operation among all cities in the world; promote exchanges of information; enable the cities to benefit from the abilities of others; help cities to adapt and fine-tune a management approach; and give direction to studies and research.

This chapter sets out to verify whether the UNESCO Venice network created for the "Art Cities and Visitors Flow" programme and used for the "Alternative Routes" project is or may become in the next future a strategic network. Furthermore – since past experiences in networking have shown us that the maintenance of strategic networks is facilitated by the continuous launch of concrete, common projects – some specific issues for other proposals will be discussed.

3.2. A network: Art cities and visitors flows

The scope of the Interdisciplinary Study on "Art Cities and Visitor Flows", that is coordinated by UNESCO Venice and executed by CISET of the University of Venice, is on one hand to describe the impact the visitor flows have on cities of art, and on the other to develop a set of guidelines that help the art cities govern their tourism.

The foreseen construction of an information system on tourism in art cities will support the monitoring process, while the creation of an international network of art cities will help the exchange of experiences with tourism management.

So far, a pilot study has been carried out by a research team of CISET and the UNESCO-ROSTE. Twenty-five European and American art cities were selected and were asked to write a report on the impact of tourism on their city. They were supposed to follow a rather detailed outline provided by the research team, which helped to homogenize the answers. Nineteen cities – Plovdiv (Bulgary), Sopron (Hungary), Evora (Portugal), Granada (Spain), Aix-en-Provence and Avignon (France), Dubrovnik (Croatia), Weimar, Rothenburg and Heidelberg (Germany), Bath, Chester and Oxford (England), Venice and Florence (Italy), Brugge (Belgium), Salzburg (Austria), Athens (Greece) and Savannah (USA) – answered to the invitation of the UNESCO-ROSTE to participate. The results of the pilot study were discussed at various meetings among network members.

On the basis of the satisfying results of the pilot study, the enthusiasm of the participants, and

the interests of the international scientific world, it was decided to enlarge the project. In May 1992 a similar survey, but this time among fifty Italian smaller cities of art was launched. The results of this survey confirmed those of the European-wide study.

Several related initiatives, following the decisions of the coordinating committee of the project, have been concluded recently. Among this, the "Alternative Tourism Routes in Cities of Art" deserves particular attention.

3.3. The "Alternative Tourism Routes in Cities of Art" Project

In the context of the "Alternative Routes in Cities of Art" Project that was co-financed by DG XXIII of the European Commission (see also Van der Borg, 1995), CISET of the University of Venice has produced three alternative tourism routes between and within European cities of art. The themes of the routes were: Culture and water, culture and walls and the architect who gave the city its face.

It has already been mentioned that the project has been based on two networks of cities. The first is the network of European cities of art that has been built and maintained by UNESCO-ROSTE. The second is the network of cities managed by EURICUR that contains large cities, with only a few possessing a well-developed tourism function.

By means of a short questionnaire, the availability of the cities to participate in the project and to enter an alternative route were verified. From the survey it became clear that in several cities internal tourism routes have already been developed. However, not many of these routes are used systematically. Furthermore, only a few cities belong to a national or – even less frequently – an international tourism route.

It has been stressed various times that the alternative routes are not only vehicles to promote European heritage to European and non European citizens, but that the routes may easily become instruments for visitor flow management. In the traditional art cities, tourism demand is frequently excessive in specific periods and sites; routes may help to spread demand spatially and temporally. In the emerging cities of art, demand does not reach the critical mass that makes tourism development economically and socially interesting. Routes make attractions more accessible and thus improve the attractiveness of the art city. By improving the accessibility, increasing the quality of the urban tourism products, and using the many synergies that exist when cities "network" in a strategic way, routes may help to render tourism development in all involved cities of art more sustainable.

The cities that have been included in the first mentioned route are: Aix-en-Provence, Amsterdam, Canterbury, Coimbra, Heidelberg and Salzburg. The route combines both art cities with congestion problems (Canterbury, Coimbra, Heidelberg and Salzburg) and art cities that still wish for tourism demand to expand (Aix-en-Provence and Amsterdam). Within the cities, the tourism routes involve potential cultural attractions that are not yet utilised as such (examples are the old inner harbour of Amsterdam and the fountains of Aix or Salzburg), or lead the visitors away from the central area (the riverside walks in Canterbury and Heidelberg and the boat trip in Coimbra).

The cities that have been included in the "culture and walls" route are: Canterbury, Chester,

Ferrara, Genova and Granada. Again the inter-city route contains congested (Canterbury, Chester and Granada) as well as emerging tourism cities (Ferrara, Genova). In all cases, the routes within the cities were chosen in such a way that the visitors are persuaded to leave their tourism centres.

The third route, with the theme "architect who gave the city its face" contains the following cities: Chester, Ferrara, Glasgow and Wien. Chester and Wien are traditional destinations, confronted with general or local excess tourism demand. Ferrara and Glasgow are upcoming destinations with many cultural attractions that need to be exploited. In all cities alternative tourism resources form the core of the intra-city route.

The different products that have thus been created, both at the local as well as at the international level, are of a high quality, and especially appealing to visitors of the cities in question with specific cultural and historic interests. Several American and Japanese tour operators, searching new products for their clients, have already demonstrated interest in selling the routes.

3.4. New initiatives

CISET proposes to extent the network in three directions:

(1) Involving a greater variety of actors that are concerned with tourism in the art cities that make part of the network: this extension stems from the needs, to improve the communications among all subjects concerned with tourism development in heritage cities, allowing them to correctly perceive all the benefits and costs connected with the touristic use of cultural heritage and to intervene accordingly. Only in some cases, the existing network already contains different subjects belonging to the same city of art. To raise awareness further, more local and national, public and private institutions should be invited to join the network.

(2) Involving heritage cities in central and eastern European countries: tourism development in many central and eastern European countries is still in its infancy. However, the few destinations, mainly capital cities, that have experienced a sudden, explosive tourism development, find themselves in a situation that is worse than many of their western counterparts. It is beyond doubt that the eastern European cities are hosting a huge stock of heritage, most of which is not yet utilized for tourism purposes. The understandable hunger for the income and jobs tourism generates may easily turn the intensification of the use of urban heritage into a cultural disaster without precedents. It is therefore of the utmost importance that central and eastern European heritage cities plan their tourism development in a sustainable manner right from the start, allowing them to avoid many of the errors that have been made by many Western urban destinations.

(3) Involving heritage cities in the Mediterranean basin: the traditional tourism model on which the fortune of the Mediterranean countries has been based – sun, sand and sea – has exhausted itself. A search for new models can be observed. One of these models is cultural tourism. Promotion campaigns are diverted to, among others, yet undiscovered

heritage cities, that will consequently resent from the increasing pressure tourism will cause. Again, the exchange of information may help those destinations truly benefit from tourism.

In practice, the exchange of information between the cities involved will continue to take place through international seminars and conferences, regular newsletters and specific demonstrative pilot projects, serving also as input for the seminars and conferences. For the first year, a pilot project on soft measures of visitor and traffic management will be developed with Salzburg and Venice as cases. This project will be partly funded by the mentioned cities. From the first year onwards, the participating cities will propose the subjects for the pilot studies and the cities who volunteer as cases should be willing to finance them entirely.

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MEDITERRANEAN INTERREGIONAL CO-OPERATION AND EUROPEAN NETWORKS BETWEEN MEDIUM-SIZED TOWNS ON THE SHORES OF THE MEDITERRANEAN

3. Co-operation of Mediterranean regions in the field of water resources: the HYDRE project

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Water is an essential element for life. It is also the fundamental resource in all human activities. All forms of social and economic advancement therefore depend on the availability and control of water resources.

Unfortunately, in the last few decades the environmental situation in the Mediterranean, in particular with regard to water, has become more and more critical; it is a major problem for populations and increasingly attracts the attention of national public authorities and European and international institutions.

INTERREGIONAL ACTIVITIES IN THE FIELD OF WATER RESOURCES

Since local and regional authorities have, in their turn, an essential role to play in the protection of water resources, they have begun to tackle the problem and have launched initial interregional studies and pilot projects in this field: the HYDRE project – implemented by four Mediterranean regions (Andalusia, Languedoc-Roussillon, Sardinia and Sicily) and this year set to expand to other regions in the basin – is one example. This project is conducted within the framework of the Intermediterranean Commission of the Conference of Peripheral Maritime Regions in Europe (CRPM), the association which groups together all the maritime regions in the Mediterranean.

The "water resources section" of the MEDPLUS programme is another example of such a project; it is the overall interregional development programme for the basin, proposed by about thirty regions within the above Intermediterranean Commission.

The creation of the Euromediterranean Regional Centre for the Environment (CREE), which has its headquarters in Athens and its general secretariat in Montpellier and groups together all the regions in the basin, has also allowed a working group on the problem of water resources to be set up.

Of course, the institutions were the first to describe the situation and to raise the alarm.

THE WORK OF STATES AND INSTITUTIONS

Since 1967 when it published the European Water Charter, the Council of Europe has affirmed the principle of an integrated water policy at European level: any policy which did not incorporate the crossborder nature of water resources would be in vain. The protection of freshwater reserves, campaigns against waste, the use of new sources, the improvement of distribution networks, the installation of household drainage systems, awareness campaigns and so on have been encouraged by the Council of Europe as measures which require the inclusion of the "water" factor in economic policies and call for a distribution of roles between central government and local authorities.

Thus, the "freshwater Europe" programme of action has indicated the need to involve all players, be they individual, collective, economic or political, from all European countries in continuing promote the concern for water. It is well known that in the last few years, faced with a crisis situation in terms of global water resources, the countries bordering the Mediterranean have realised the seriousness of the problem, and have participated actively in the political and technical debate, as well as in international conferences on the environment and water.

An important milestone was the adoption of the Mediterranean Charter for Water, adopted in Rome on 28-30 October 1992, aimed at regional co-operation and the creation of structures for a Mediterranean water network.

More recent trends show that the technical and political approach to the global problem of water is broader than that of the initiatives already in existence, such as the Mediterranean Action Plan (MAP) co-ordinated by UNEP and the Barcelona Convention for the Protection of the Mediterranean Sea Against Pollution, which are devoted primarily to the problems of protecting the environment and combating pollution.

It is true that the countries bordering the Mediterranean are very diverse in terms of climate, hydrogeological situation, environmental problems, political, legal and technological situation and traditions, and that there appear to be few grounds for joint action which would be difficult to implement. However, serious analysis shows that in Mediterranean countries climatic and hydrogeological factors, as well as historical traditions, possess common characteristics differentiating them from the rest of Europe, which should encourage them to take joint action.

Finally, up to now Community policy has concentrated on the problem of the environmental quality of water and this concern is reflected in the vast majority of Community activities and standards. But now it is no longer merely a question of polluting bathing water, the industrial pollution of rivers, underground water or fishing water; it is no longer merely the quality of water which is a problem, but the quantity, necessary savings and territorial distribution of that commodity.

THE COMMITTEE OF THE REGIONS

This limitation was demonstrated by the Committee of the Regions, which, on 19-20 July 1995, adopted an own-initiative opinion on "measures to combat the socio-economic and environmental effects of the drought in southern Europe, oriented towards a European policy on water resources".

The Committee emphasised that currently, drought situations, floods or other natural disasters linked to the climate are less and less attributable to short-term conditions. An examination of long-term meteorological cycles enables us to deduce that the world is faced by serious climatic change, of which some of the causes are seemingly, to a certain extent, unknown and cannot be controlled, whereas others are a result of the influence of human activity on a global scale.

Water, until recently a commodity available throughout the European continent, is becoming even more rare in a large part of the south, while in the centre and the north the channelling of rivers and large thoroughfares over land helps cause rivers to overflow. At a time when water infrastructures have become a general feature of all European Union countries, some of them are afflicted by periods of persistent drought which empty the basins and threaten agricultural activity, while others suffer terrible flooding which seriously endangers the life and property of inhabitants in central Europe: on the one hand, there are empty basins and on the other, dykes submerged by water.

In the Union, between 1970 and 1985 average annual water consumption increased from 600 to 800 cubic metres per person. However, this increase tells little about the use and economic value of water, since whereas in some member countries most of the water is devoted to industrial use and household consumption, in the countries of the Mediterranean basin the highest level of consumption is in agriculture, owing to the fact that irrigation through rainwater alone is insufficient for crops: consequently, a prolonged drought such as the one that is currently being witnessed has disastrous economic consequences.

The document EUROPE 2000, produced by DG XVI, issues a warning that despite the fact that no major expansion in areas which may be irrigated is foreseeable in the next few years, the maintenance of agricultural activity at current levels, the growth in industrial use and the improvement in general living standards give rise to an expected increase in water consumption in less developed countries. The above document recalls that at local level, drought, the increase in water consumption in industry and supply problems may lead to shortages and create difficulties, with particular emphasis being placed on the seriousness of the problem for islands.

As is currently the case in southern Europe, when there is almost no precipitation for four years running, the scale of the disaster broadens and deepens, and sometimes produces irreversible consequences far outweighing other natural phenomena which are just as harmful. It is no longer just a matter of huge economic losses, for example in terms of irreparable damage to crops, but there is also a striking reduction in quality of life owing to sever restrictions in private consumption, as well as the environmental consequences caused by the irreversible progression of desertification. On the basis of these observations, the Committee of the Regions indicates the following priorities:

- greater co-operation between states and regions, so that drainage basins may be managed in a coordinated manner;
- the conducting of institutional studies on climatic change;
- the strengthening of European Union action and the adoption of specific legislation at European level on drought and its consequences (above all agricultural, social and environmental).

THE HYDRE PROJECT

Within the context of general interest in the "water" problem, the Intermediterranean Commission of the CRPM has implemented the HYDRE project, designated "monitoring of water resources for regional agricultural and environmental policies".

This project, set up with joint funding by DG XVI of the European Commission, under the co-ordination of the CRPM and the technical co-ordination of the Joint Research Centre (JRC) in Ispra, has enabled a network of advanced research and monitoring units to be set up by four large Mediterranean regions: Andalusia, Languedoc-Roussillon, Sardinia and Sicily.

The network is set for future expansion over the whole of the Mediterranean basin, since the interest generated by the project – conducted over a four-year period (1992-1995) – has been significant and many regions have requested that the network be expanded in transition to the "HYDRE 2" phase (including in particular the regions of Greece which were unable to participate in the first phase).

The first phase

The increase in living standards and economic growth have produced an ever increasing need for water in Mediterranean regions where shortages of this resource have become more and more acute.

Economic activity and development are particularly sensitive to water resources and their fluctuations, be they natural or influenced by man's activities. Most rainwater, the main renewable source of water in these regions, falls during the winter, when the need for water for vegetation and for certain human activities is relatively low. By contrast, the summer is characterised by frequently high temperatures, a very high level of evaporation in the atmosphere and low rainfall. This results in very low rainfall in terms of the need for water, during the season when such a need for natural vegetation, agriculture, the tourist industry and daily life is at its highest level.

This climate, together with the typical soils and relief, determines the types of vegetation as well as the level of agricultural production which can be sustained through rainwater. Historically speaking, economic activities and the organisation of social life have been perfectly adapted to the Mediterranean environment. An example worth mentioning is the great importance of crops such as vines or olives, or also lavender, which provide the best combination of quality and quantity in relatively harsh growing conditions.

However, the changes and progress made have given rise to an ever increasing need for water in these regions. The expansion of the area under irrigation, the installation of industries, the supply of drinking water to towns and tourism are all activities which, if they are to develop, require even greater quantities of water.

It has therefore become a priority for water resources to be carefully supervised and managed, so as to ensure that they are regularly available in the future. It is particularly important to keep an eye on the variations in rainfall between different years and different areas, as well as water needs for crops and natural vegetation, the amount of water in such crops and vegetation, and

the risks of erosion. Furthermore, very low rainfall in relation to the average may result in incomplete replenishment of surface and underground water and later, at least in some regions, cause water supply problems. Sometimes, the effects only come to light several years later, since a lack of water may cause the amount of water taken in to be reduced followed by the progressive exhaustion of stocks. A drought may also affect vegetation and may indirectly cause a net increase in the risk of fire, erosion and possible desertification. In their turn, erosion and desertification will affect the future availability of water for agriculture and industry.

It is particularly important to observe the phenomena described above in areas in which human activity, on a permanent or seasonal basis, has gradually intensified in the last few decades. This is very often the case in coastal areas and in particular concerns peripheral maritime regions, among them the Mediterranean area.

Furthermore, drought and flooding are two phenomena which go together.

The climates of regions in the basin are such that they receive greatly contrasting amounts of rainfall: for example, there are great differences in the amount of rain received in two different years, combined with intense spells of rain grouped together over a short period which give rise to chronic drought in summer, occasionally followed by disastrous floods in autumn.

The two extremes of “flood and drought” are regulated primarily by water storage which alleviates the devastating effects of flooding and provides resources for dry periods;

After the first phase in which “large dams” are built, additional installations of lesser importance are put in place, such as dykes and artificial hill reservoirs.

Finally, the “terminal” installation phase is lighter and “non-structural” in the form of remote control and regulation.

The first phase of installations, which are often very large in scale, have required significant investment in regions where such installations are already well advanced (Spain, France and so on); other equally considerable investments will be necessary to finalise such installations in lesser-equipped areas such as the south of Italy, Greece and so on; such investments have already been forthcoming from the European Structural Funds (cf JRC, objective 1).

By contrast, in the light of the numerous recent periods of intense rainfall, it has become clear that in order to face up to a phenomenon which is too unpredictable to be regulated by “big” installations, without requiring investment which the local authorities cannot possibly provide, it is necessary to resort to other types of smaller installations able to cope with “a reasonable level of exposure to flooding”.

This strategy, already launched by several regions (Catalonia, Languedoc-Roussillon, Liguria, Murcia, Provence Alpes-Côte d’Azur, Tuscany and so on), although not entailing major civil engineering work, requires a certain amount of investment, in particular with regard to hazard assessment, watercourse management and adaptation of existing facilities (which current European Union programmes do not include: that is why the interregional programme MEDPLUS and the CREE referred to above are focusing on them).

Of the two aspects of the problem, the HYDRE project has given priority to drought, on the basis of two factors:

a. specialised technical services and advanced systems for adequate back-up to water resources are often lacking;

b. the new techniques developed are often not used either.

Through the considerable assistance provided by the European Union Joint Research Centre (Ispra), the four pilot regions, with a view to setting up a network, have established the following principles:

General aims:

1. The definition of a regional water policy by analysing the structure of water needs and the possible effects of development projects or particular natural phenomena.

2. The setting up of a monitoring and alarm service for water resources.

The most advanced techniques have been used:

– geographical information systems (GIS);

– remote sensing techniques;

– agrometeorological models.

The practical aims are as follows:

– the creation of a long-term monitoring and alarm unit for general objective no.1 (above);

– the creation of a cyclical and emergency follow-up unit for situations involving high risk of erosion, abnormal drought, abnormally high water needs for crops under irrigation, forest fires, civil defense and so on.

In this information report, it is not possible to illustrate the characteristics and technical experience of the project, details of which may be found in the publication “HYDRE” issued in four languages (Spanish, French, Greek and Italian).

However, in order to give some idea of the working methods used, it is useful to provide a general outline of them here.

The sources of information for geographical references are grouped together in two large categories.

In the first category there are the different types of maps:

- digital soil models;
- soil maps;
- land use maps;
- socio-economic maps;
- meteorological maps;
- hydrographic maps;
- rainfall maps.

When combined they also allow, among numerous applications, the evaluation of different areas in terms of average sensitivity to erosion, which represents an important element in characterising a particular territory.

In the second category there are meteorological and water data observed on the surface, and also those which are calculated.

Data measured on a daily basis include:

- minimum temperatures;
- maximum temperatures;
- wind speed;
- amount of rainfall;
- sunshine hours;
- relative humidity.

Calculated data include:

- evapotranspiration;
- radiation.

Suitably dynamic models allowing the study of specific phenomena have been adopted with a view to more advanced use of the GIS.

To determine potential evapotranspiration (ETP), the Penman approach has been adopted, since it has been validated throughout Europe in the pilot remote sensing project or applied to agricultural statistics.

The Agrometeorological Season Monitoring (ASM) model will be used to simulate plant growth. In addition to quantifying the water needs of plants, such a method allows, in particular, the simulation of various theoretical scenarios in terms of crop yields for a particular year, based on seasonal humidity (humid, average humidity, dry).

Through processing data collected by the satellite NOAA based on the Software Space, developed during the MARS project, traditional remote sensing models will be used to calculate the indices for vegetation, surface temperature and an estimation of real evapotranspiration.
It will thus be possible to carry out operational monitoring of the amount of water in plants being grown, natural vegetation and emergency situations.

The evaluation of soil erosion will be conducted on the basis of two dynamic models:

- a general model called USLE (Universal Soil Loss Equation) which allows overall evaluation of erosion;
- another more detailed model called CREAMS (regulation of chemicals, run-off and erosion for agricultural management systems), which can be applied to catchment areas of about five hectares and is therefore directed towards the evaluation of potential erosion.

Towards HYDRE 2

On the basis of experience and experiments conducted by the four pilot regions in the last few years work and presented in Taormina (Sicily) in March 1996 to the authorities and interested parties at European, national and regional level, there are plans to move on to a second phase allowing:

- further development of the project;

- strengthening of the interregional network of monitoring and alarm units;

- expansion of the project to those regions of the Mediterranean which did not participate in the first phase.

THEME 3

TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

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TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

1. Better integration with the big European networks of the road and rail networks in the countries of southern Europe

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This report has been prepared on the basis of discussions over the past two years among a team made up of persons working for various sections in the Department of Territorial Policy and Public Works of the Generalitat de Catalunya, under the supervision of Professor Albert Serratosa.

This team was responsible for the preparation of the "transport" component of the interregional co-operation programme, launched by the Intermediterranean Commission of the Conference of peripheral maritime regions in Europe (CPMR), known by the name of Medplus, and submitted for co-financing to the European Commission (DG XVI). The same team, together with leading figures from the Research centre for transport in the western Mediterranean (CETMO), was given the task of organising discussions in the "transport and territory" sector Forum during the Euromed Civil Forum, which brought together in Barcelona in November 1995 nearly sixty experts from most of the Mediterranean countries.

The aim of this report is to analyse the current situation regarding the integration of road and rail networks in the countries of southern Europe (Portugal, Spain, South of France, Italy and Greece) with the major European networks and to offer some ideas for resolution of the problems identified.

Peripheral nature and poor linkage of networks

In the context of the past and future enlargement of the European Union towards the north and centre of Europe, the regions of southern Europe, owing to their increasingly peripheral situation, are being faced with the growing danger of marginalisation.

Part of the problem is the increasing in difficulty of access to trans-European networks. For these regions, a trend towards an extensive relative isolation is to be feared, particularly in the case of zones located within the mesh formed by the major networks. This would aggravate the sharp disparity between peripheral and central regions, which the European Commission itself warned against in the preparatory studies for the European Spatial Development Perspective.

In addition, this peripheral location is aggravated by significant disparities in the provision of infrastructures for terrestrial communication, in particular motorways and rail links, not to

mention navigable waterways and pipelines for water, gas, etc. The indicators for the level of equipment show that infrastructures of the Mediterranean regions are lagging behind those in the more central regions of Europe (on this subject, see the studies conducted by P. Biehl in the 1980s).

Admittedly, transport infrastructures are not sufficient in themselves to ensure economic development, or the lack of them to explain backwardness, but they do guarantee a certain territorial equity. For each country, infrastructures therefore constitute vital tools for grasping development opportunities. All territories have a right to be linked up to the trans-European networks in similar conditions, independently of their population, wealth or geographical location. More opportunities for interrelations mean more opportunities to develop such territories. That is why the Maastricht Treaty (Article 130) enshrines the relationship between the concepts of trans-European networks and cohesion.

A peripheral location and inadequate infrastructures are the most common reasons given to explain the situation in the Mediterranean regions. In the Medplus report, however, an attempt was made to go further and to find other features common to all areas fronting the Mediterranean, such as breaks in the continuity of networks and problems of interoperability, the shortcomings of third-level aviation, the preponderance of road transport and territorial imbalances.

One of the first aspects to be noted is the break in continuity of road, and especially rail, networks. The frontiers between the states are still fairly watertight. This is particularly so between Spain and Portugal, for example. Despite the efforts of the European institutions to define master plans or routes of European importance, the integration desired is still far from being achieved.

Firstly, however, the concept of continuity must be defined and should not be limited to the existence or absence of a link but should cover a number of other aspects as well. For example, it was mentioned in the Medplus report that “the apparent continuity of the Mediterranean rail network, as it appears from a superficial glance at a map, is a fiction. There still exist sections with a single track, and major technical problems regarding the interconnection of lines, particularly at the frontiers between states, still persist. The most acute of these is the one in the Pyrenees, where the gauge of the track is different on each side of the Franco-Spanish border”.

The main rail network in the Iberian peninsula has a gauge different from all other networks in Europe. This prevents the direct circulation of trains or wagons from or to either side of the Pyrenean border. Despite the transfer of passengers and goods and the use of techniques of varying sophistication, international exchanges by rail are still at a very low level in this case. However, the transfer of goods alone costs transport operators the considerable sum of 13 million ECUs a year (90 MF or 2,000 MPTA), according to a study carried out in 1991 by the Commission of the Pyrenees Interregional Community (committee on communications for industry in the Pyrenees).

Secondly, a lower proportion of electrified lines and twin tracks, as well as much slower scheduled speeds, show that southern Europe, despite noteworthy efforts at modernisation in recent years, lags far behind where rail infrastructures are concerned.

Similarly, in the southern regions of the European Union most intercity motorways are toll roads. The distance obstacle has been to some extent replaced by an economic obstacle. At a time when certain economic theories are advocating the introduction of new toll highways in regions of the centre of Europe, such highways in the Mediterranean regions are preventing mobility from reaching theoretical levels.

The problems faced by Mediterranean terrestrial networks are made even more serious by the fact that regional or third-level air transport is not playing its role of substitute and that sea transport is non-existent as an alternative to transport by land in spite of certain projects. Thus the difficulties in integrating networks and harmonising their operation have led to the preponderance of road transport, particularly in the case of freight.

Road traffic contributes to the degradation of the environment (air pollution, noise, etc.) and aggravates the dysfunctions of the transport system. This is reflected in the still excessive number of accidents, which is an even more acute problem in the Mediterranean regions than in the centre of Europe.

Moreover, the transport infrastructures and services are concentrated along the coast and pay no attention to the hinterland. As a result, there is daily conflict between local traffic and interurban traffic which it will be impossible to resolve unless the networks of different dimensions – local, regional, national, Europe-wide – are distinguished. This calls for dedicated infrastructures, especially on the outskirts of major urban areas.

This said, the tracing of major links comes up against special constraints in the Mediterranean countries owing to the dense occupation of the land in coastal areas and a fragile environment. As people become more and more aware of the impact of infrastructures on the environment, there is a real risk that construction times will get longer and costs increase.

Although the Treaty of Maastricht recognises the importance of major transport networks as a visible sign of European integration and accepts the need to promote such networks and define them from a European standpoint, care must be taken not to overlook local needs arising from the highly varied nature of the territories they pass through as well as their technical configuration.

The homogeneous development of networks

Having outlined the present situation regarding trans-European transport networks in the Mediterranean basin regions, it is now possible to advance a few proposals for the improvement of their effectiveness.

Continuity and interoperability

The continuity and completion of road and rail networks in the Mediterranean regions must become a priority for the European institutions. It will be fundamental to the success of trans-European networks. In the case of rail transport, the problem is not just to ensure continuity but also to facilitate the technical integration of the various national networks, that is to say, their interoperability. This need should be seen not only in a European perspective but also in the

perspective of future Europe-Africa terrestrial links, which will necessarily have to cross the Iberian peninsula.

Higher capacity infrastructures

It will be necessary to increase the capacity of trans-European networks, especially on the outskirts of major urban areas, in order to avoid the resulting congestion when local and regional traffic is coupled with long-distance traffic. It would be advisable to separate these two categories of traffic by means of dedicated infrastructures.

A new balance between modes of transport

Intermodal transport is insufficiently developed in the Mediterranean regions. The necessary action must be taken to increase the share of rail and water-borne modes of transport, particularly in goods traffic: improvement of railway links (increased capacity, higher speeds, etc.), promotion of multimodal transport, creation of multimodal freight platforms, etc. In this connection, special attention should be paid to intermodal network hubs, the location of which should be planned in advance.

Facilitation and encouragement of East-West exchanges

The North-South routes linking the Mediterranean regions with the centre of Europe are very busy and better equipped than the East-West routes. It is true that the flow of tourists, farm produce and industrial products is mainly between North and South because of the complementarity of the economies concerned but the improvement of major East-West links would lead to increased exchanges and communication in all directions.

A transregional and transnational approach

The concepts of Mediterranean basin, Atlantic arc, Alpine region and Pyrenean regions are gaining ground. The territorial issues are not limited to the administrative regions or states concerned; they are transnational and transregional. Interregional co-operation – which the Council of Europe has long encouraged – helps to open up frontiers that have for too long been hermetic. In the case of trans-European transport networks the relevance of this approach is obvious. One should thus welcome an initiative originating in Sardinia aimed at creating a transport observatory in the Mediterranean basin whose purpose would be first to gather and harmonise information on the transport networks of regions in the area and then to analyse this information and make proposals on the basis of an overall approach.

The lack of a European vision on the part of states, which are the main agents for the construction of trans-European transport networks, creates problems for the establishment of the latter's trans-frontier segments. This explains the usefulness of the concept of "missing links", launched by the European Commission. Such links are of little interest to states but the European institutions see them as the key to integration. It is in this spirit that Professor Albert Serratosa put forward at the Euromed Civil Forum the idea that the community institutions should fund the building of, for example, 50 or 100 kilometres of infrastructures either side of the frontier in the countries of southern Europe.

In order to ease the task it would be useful to set up some European agencies in which all the institutions concerned, including the relevant local and regional authorities, would participate. These agencies would be responsible for constructing the transfrontier links more quickly and with closer co-ordination. They would facilitate the involvement of institutions below state level, in particular regional institutions, in the definition and implementation of European transport infrastructure policy.

The drawing up of master plans for the development of infrastructures

The development of networks calls for master plans that indicate the long-term goal. The planning of transport networks has to resolve the dichotomy between an approach that concentrates solely on the freeing of bottlenecks and an approach that encourages overall spatial planning. For example, concrete projects for the building of networks should be justified by the master plan and not just by their rate of return as isolated projects. In other words, as Gabriel Dupuy puts it, "each project to establish a link should be evaluated in terms of its overall impact on the totality of elements forming the network".

If attention were paid only to the short-term cost-benefit ratio, not enough infrastructures would be constructed in the peripheral territories of Europe. On the other hand, a territorial balance would, in the long-term, bring more benefits than problems.

A methodological example of European master plan is the one drawn up by Albert Serratosa in 1982, which consists in a network of motorways forming a grid with sides of about 200 kilometres. This would be a more economical, efficient and rapid way of establishing a homogeneous network, in contrast to the juxtaposition of operations resulting from an excessively narrow vision.

The need to plan networks and propose overall master plans using a goal-orientated approach is also borne out by developments in the various types of networks (water, sanitation, public transport, electricity, telephone, television, gas, telecommunications, etc.) highlighted by Gabriel Dupuy. All such networks start slowly but then expand and expand, without prior planning, until they arrive at full coverage. The same applies to infrastructure networks for terrestrial transport in Europe: first railways, then roads, then motorways, now high-speed lines. How many inhabitants, jobs or leisure centres are linked up to these networks? The evolution of such figures (or percentages) will follow the same curves as those discussed by Dupuy. Consequently, when the coverage of a network reaches its maximum, about 90% of the population will be connected up to it. In that case, why not plan the final outcome from the beginning? That would doubtless make it possible to reach the goal more quickly and at lower cost.

Transport policy should not be based solely on demand. A policy of supply that anticipates the desired demand is also necessary.

Conclusions

In his wise analysis, Professor Mateu Turró accused the trans-European networks of not reflecting an overall coherent conception of the European system of transport but of constituting

an adaptation on a European scale of the proposals of member states, in which national interests generally prevail. All the same, he recognised that this formulation has prompted a new awareness of the role of infrastructures in European integration and of the role of the community institutions.

Power has traditionally been exercised on the basis of discrete units, portions of territory. But the growing intensity of relations made possible by the expansion of networks breaks down frontiers. Thus such networks contribute to the emergence of different ways of exercising power and even of changes in its distribution. As a result, new institutional agents, such as the European Union and the regions, are in the process of working out the geopolitics of local networks.

The planning and installation of trans-European networks requires co-ordination between the various territorial levels of decision-making because these levels, each on their particular scale, are also concerned. It would be unwise to run the risk of allowing the development of new highly efficient networks that are integrated and interoperable at the European level but cut off from local and regional networks.

Lastly, what kind of Europe is wanted for the future: a Europe as reflected in the maps of road and rail traffic showing a powerful concentration of activities and wealth in the central regions, or a more balanced Europe in which the peripheral regions will also be given their chance?

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TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

2. Maritime transport in the Mediterranean basin: conditions for improving East-South traffic, rationalisation and improvement of the infrastructure of ports

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The Mediterranean is considered as a sea that unites. For millenia it functioned as a space where multiple and direct links were forged between its shores and its islands, civilisations were cross-fertilised and the grounds for civil society as it is known today were laid. It provided opportunities for the integration of human space while preserving the distinct and extremely varied cultural identity of its peoples. It embedded them with a deep rooted sense of belonging and affinity which has survived fratricidal, ethnic and colonial conflicts and is still manifested in multiple ways.

Today, the Mediterranean is an area of fragmentation and conflict, economic as well as ethnic and religious, of accute inequities and of profound socioeconomic cleavages. This is reflected in the structure of intramediterranean exchanges and in the transportation patterns.

In this context, the Mediterranean Sea by its mere physical attributes is a geographic factor which further increases fragmentation in the region: in spite of the physical proximity of northern and southern shores, the sea is not anymore a unifying element but acts as a barrier with respect to terrestrial infrastructure networks.

Distance and cost have a relative value with respect to sea transport: distance is very crucial with respect to time but time itself is not always important with respect to goods transported by sea. It is often the case that timing, reliability and precision are more important than time in the delivery of goods. Timing and dependability have little to do with distance and more
with port organisation and interoperability of services in the logistic chain of transport as well as with factors that are outside the sphere of transport services such as quality and reliability of the productive structure in the country of origin.

Distance also plays a very limited role in determinig the cost of transport. More important here is the volume of goods transported and the way they are transported since there are obvious economies of scale involved in maritime transport. Costs associated with port operations account for more than 50% of total sea transport costs. In the case of the Mediterranean, proximity diminishes the relative weight of the maritime link in the transport chain and increases the share of port costs and land transport beyond.

Mediterranean Traffic

Maritime traffic in the Mediterranean is of three kinds:

- firstly, the Mediterranean is a transit zone for intercontinental traffic service as a link between the Black Sea, the Red Sea and the Atlantic through its straits: Suez Canal, the Dardanelles passage and Gibraltar. Liner services and oil tankers connecting northern Europe and the east coast of North America with East Africa, the Indian ocean and the Far East cross the Mediterranean;

- the Mediterranean is also a point of origin or destination for maritime traffic;

- finally, and most importantly for this discussion, although relatively small in terms of the total volume of traffic, the Mediterranean is the space for exchanges among its shores.

Infrastructure inequalities: endowed and congested North – deprived South

There are considerable differences in the level of transport infrastructure in the European Continent and the Mediterranean; differences which do not only reflect the present level of development but also, to a large extent, undermine the prospects for economic development and convergence of the regions of Europe.

The areas of advanced and diversified economic structure in the North of Europe possess a high performance modern and dense transport system, more or less multimodally coherent with respect to the most advanced systems on a global scale.

The South of Europe is composed of a northern part – the Latin arc – which has achieved a high level of integration, both in economic terms as well as in transport infrastructure, and a southern part – mostly composed of lagging Objective 1 regions – which are the promontories of the European peninsula, characterised by isolation and peripherality, and a high degree of spatial fragmentation both at national and regional levels. This area is characterised by inadequate and inefficient transport infrastructure systems, a predominance of road transport and low intermodal connectivity, especially in Greece, as well as a low level of integration, at national and regional levels and with respect to its main trading partners in the economic centre of Europe.

On the southern and eastern shores of the basin transport infrastructure is inadequate both at international and national levels. The territorial structure of the network is fragmented making it difficult to reach the few nodal points that exist from a wider hinterland.

The distribution of maritime transport infrastructure, especially ports, follows more or less the same pattern as for the other modes of transport, but also an autonomous course with some important regional variations. History, tradition, geophysical attributes and globalisation processes all play their part, the latter becoming increasingly prominent in shaping the structure of transport and the distribution of facilities.

Thus, for example, many ports have developed on the eastern shores of the Mediterranean not in response to requirements and resources of the coastal countries but as the endpoints of pipelines for oil produced in and transported from non-mediterranean countries.

Taking the case of Greece, Piraeus is the most important port in southern Europe in terms of vessels calling, largely because of the high passenger movements required to serve a widely dispersed insular region. The port of Thessaloniki, a deep-bay port, remained stagnant for many decades, due to the division and geopolitical conflict in the Balkans. The worldwide strength and dynamism of the Greek merchant marine and its maritime operators cannot be attributed to its economic position but to tradition and to the strong links it holds with the international maritime transport market.

The factor however that globally and directly affects maritime transport is its integration to a chain of multimodal links, through high-level service operations which are in themselves increasingly linked to the multinational organisation of the economy. The logistics is of crucial importance. In this "combined carriage" system, it is defined as the "set of procedures and activities to optimise the flow of cargo through the transport chain" (EC 95a). In this sense ports of northern Europe are highly competitive, even with respect to goods transported to European Mediterranean regions. In spatial terms, the concentration of maritime transport infrastructure in a small area on the shores of northern Europe as well as the deficiencies and lag in infrastructure investments in the southern regions of the EU have led to a situation where most of the trade of the North of Europe with non-European Mediterranean countries is effected through the northern ports; but also the hinterland of northern ports extends far to the South of Europe, servicing a large part of the community territory. Thus, for example, 15% (in value) of Italy"s exports to non European Mediterranean countries is effected through northern European ports. As far as France is concerned, its northern ports account for over 60% of trade traffic with non European Mediterranean countries, while another 15% is effected through northern European ports outside France (EC 1993). This, of course, contributes to the congestion of central areas and to the dependence and marginalisation of peripheral areas.

An important study on the impact of the non EU Mediterranean countries on regional development of the EU conducted for the European Commission by a French consultant agency TAD (EC 1993) indicates that the quality of services in southern mediterranean ports and the volume of traffic is such that it is more costly to send a container from a southern port to Maghreb than to the U.S. or Japan.

According to the study, the total volume of exchanges between the two shores reached, in 1990, 200 million tonnes, of which 124 million represented oil products. In comparison to this, the traffic generated at the port of Rotterdam alone was close to 300 million tonnes for the same year. Thus, the cost of shipping a product from Tunis to Marseille is about the same as shipping it to Rotterdam (EC 1993).

Exchange patterns and trade inequalities

Let us consider the following facts:

– of the total volume of overall trade in the Mediterranean, intra-Mediterranean trade

counts for only 29.4% while extra-Mediterranean trade counts for the remaining 70.6%;

- if one looks specifically at the volume of trade flows along the EU-Mediterranean coasts, 26% of imports were from other Mediterranean countries, while 30% of the volume of exports went to non-European countries in the Mediterranean (EC 1995a);

- in economic terms, if one looks at the value of traded goods, UE exports to non-European Mediterranean countries account for only 8% of extracommunitarian exports while the value of its imports from these countries represents 7% of its total value (or about 3% of its total – including intracommunity – imports);

- on the opposite shores the picture is different: the economy of East and South Mediterranean countries is highly dependent on the EU. More than half of the value of their imports come from the European market (EU 12 : 51%). This is even higher for the Maghreb countries and accounts for 2/3 of their imports. Non-European intermediterranean trade on the other hand is very low both in terms of volume as well as of value (EC 1993). It is characteristic that the trade among the Maghreb countries represent less than 5% of their foreign trade;

- in terms of north-south trade balance clearly the winner is the EU. The total value of trade in 1990 was close to 67 billion ECUs, equally distributed between imports and exports. Excluding energy, however the remaining 50 billion ECUs represent a 2 to 1 proportion between EU exports and imports. The trends in the balance of trade have also evolved at the expense of non-European Mediterranean countries. From 1985 to 1990 their balance was reduced by 27 billion ECUs, thus eliminating fully the advantage they held at the begining of this period (EC 1993).

From the above discussion, as well as from tables included in the supporting material, several interesting conclusions could be drawn: the overall level of regional economic integration between both north and south and east and west is rather low. However, there are important regional differentiations. Vertical (north-south) ties are more prevalent; that is European Mediterranean countries trade more with their corresponding neighbours on the opposite shores. Maghreb countries have the strongest trade relations with France and with Spain, while eastern Mediterranean countries have the strongest trade relations with Italy and Greece (firstly Cyprus and then the Middle East). However, trade is also prevalent on an East-West axis, mostly attributed to the trade of hydrocarbons. Among countries on the southern and eastern shores, exchanges are negligible thus revealing extremely low levels of regional integration.

Of all the countries bordering the Mediterranean, Turkey, Israel and France are the least integrated trade partners. Turkey”s trade is oriented directly to north European partners (especially Germany) and Israel”s to non-EU countries, while for France, which is the single most important trade partner in the region, the share of mediterranean trade takes up a very small part of its total exchanges with the rest of the world.

Absence of proximity advantages

It has already been mentioned that the north-south trade balance in the Mediterranean is in

favour of the EU. Many of the European regions bordering the Mediterranean are objective 1 regions. A crucial question therefore in the development of trade relations and of transport infrastructure in the Mediterranean is to what extent do European regions lagging behind benefit from this exchange, what is their share of the market and what are the prospects for the future. The EC study on the impact of South and East Mediterranean countries on regional and spatial development of the EU (EC 1993) has examined this issue and has concluded that South European regions (Spain, Italy, South of France and Greece) do not benefit accordingly from their privileged position as an interface between the EU and the Mediterranean countries. According to the study, the South of Europe represents only 37% of all the exchanges between the EU (EU 12 : 1990) and the rest of the Mediterranean, that is 29% of the exports and 47% of the imports. The trade balance between the two shores favours the North of Europe, with a surplus of 4,3 billion ECUs while the South of Europe presents a deficit of 3,8 billion ECUs. Excluding energy, southern Europe accounts for 29% of exports and 27% of imports compared to its share of EU GDP, which is 33%. Further, over a five-year period (85-90) South European imports and exports have increased but their share with respect to EU trade as a whole has diminished. Overall, the study concludes that the greatest sensitivity to exchanges with the Mediterranean countries is exhibited by northern countries such as northern France, BENELUX and Germany (EC 93).

As explained earlier, there are regional differentiations to this picture. Some southern regions are benefitting from their geographical advantage more than others: Greece"s share of exports to Emed is higher than its EU GDP share and so is the share of the imports of southern France. Italy is on the level, suggesting a balance in favor of the developed North.

The implication of this discussion is not that Objective 1 regions stand to loose necessarily from an expansion of trade between the two shores of the Mediterranean. It is, rather, that geographic advantages alone cannot ensure a preferential treatment on the part of southern mediterranean economies or automatic benefits accruing to them. On the contrary, under the present structure of regional economies and the division of labour, benefits would tend to accrue to the more remote but more developed regions of the North.

On the macroeconomic level and disregarding regional variations, there is obviously a northcentric bias in the way that markets operate and, in the absence of explicit policies to counter this bias, it is only natural that all of the Mediterranean – north and south – will look to the north to promote its exchanges: raw materials, cheap labour, agricultural products, tourist services, traditional industrial goods, in exchange for high value added products, technology and know-how. Thus, in order for the Mediterranean to play the role of a "unifying sea", alternative strategies would have to be developed by the neighbouring countries.

It is the case for Mezzogiorno and Greece, for example, two of the more disadvantaged and peripheral regions of the EU, situated in the middle of two as yet distinct regions: the EU and the Mediterranean basin. In the relevant regional development study which investigates the prospects for the central Mediterranean (EC 1995b), it is observed that in a northcentric view of future development, the central Mediterranean region is condemned to peripherality, while in its ability to act as a bridge with the wider region it can acquire a central role in the future of the EU as a whole.

Regional markets as an alternative

The example below shows the positive developments of the southern part of Europe and the Mediterranean.

The end of isolation and the opening up of the Balkan countries may already serve as an example of the opportunities for promoting the aims of economic and social cohesion through the development of new spatial structures that are less hierarchical and more polycentric, that promote regional integration and co-operation, create new interdependencies and networks of solidarity and may eventually lead to a reduction of the dependence of peripheral areas from the economic centres of Europe.

Recent studies conducted at the University of Thessaly (Petrakos 1996) reveal the prospect for a gradual recomposition of an historic economic space with the creation of a regional Balkan market, in a very short period, by exploiting geographic factors such as adjacency and proximity, but also other, non-economic, historical, cultural, and social factors, as well as tradition, that are characteristic of most of the Balkans and of the Mediterranean countries.

Thus, Greek Balkan trade relations have expanded rapidly both in terms of total volume of trade as well as in terms of the high increase recorded in its share of total Greek trade.

What is perhaps more important than actual volume increase is the structural characteristics of this exchange: measures of intra-industry trade indicate that Greece and the Balkan countries as a whole have a relatively high share of intra-industry trade compared to the share of Greek trade with the EU and the world. This development by itself is very encouraging in that it creates the conditions for overcoming the disadvantages of interindustry trade which characterise the exchanges between Greece and the EU and which have kept it at low integration levels after fifteen years of membership. The comparative advantages of a country like Greece and like most Objective 1 regions, in interindusty trade, such as labour-intensive industries and specialisation in traditional sectors and products, would face increasing competition from other similar regions, or even from other developing countries, as e.g. the Maghreb, while, by themselves they do not guarantee the transition of the economy to higher order production structures. The opportunity for a high-order type of integration which is offered in its relations with its neighbours and which is probably explained by geographic as well as by cultural and affinity factors, opens the way for a country of southern Europe like Greece to seek a parallel in nature and complementary to that of the EU integration process (Petrakos 1996).

Implications for infrastructure provision

On the basis of the above discussion what strategies should be followed for infrastructure provision?

In a highly differentiated space such as that of the Mediterranean, global policies of massive investments for infrastructure improvement might not be cost-effective or achieve conditions that would by themselves enhance co-operation and exchanges.

Trade between the two shores will continue to increase at steady rates of about 3-6% per year

south to north and north to south respectively (EC 1995a) but this alone does not justify any massive investments on either shore. Rather, policies and projects must be selective and reflect the possibilities and opportunities for a new decentralised territorial organisation promoting regional integration and regional markets.

In this new spatial organisation, the seas of Europe could play an important role. The possibilities on the eastern front offered by the Baltic and the Black Sea have already been recognised. With the end of eastern isolation these two important seas are restored to an enhanced role by making possible the promotion of communication and exchanges between peripheral maritime regions and the vast hinterlands that lie beyond. The exploitation of opportunities for the development of maritime transport and other infrastructure projects, is in cases like the Black Sea, well along its way either through bilateral agreements, or through wider regional endorsement. Similarly, as it shall be discussed below, new possibilities are offered in the Adriatic, especially through the development of efficient short sea shipping links. An obvious area that offers possibilities for developing initiatives for local cooperation is the Aegean. In other parts of Europe, one could envisage possible advantages for the development of regional markets from improved connections between north and south nodal points, such as Algesiras, Tangier, Trapani and Tunis (EC 1993).

On the regional scale, certain common traits are apparent indicating the need for differentiated strategies:

Policies on the South side should rather aim at regional integration through completion of the North African East-West axes and through improved and expanded accessibility of major gateways.

Concerted effort is required to improve port operations, and modernize procedures and equipment in order to improve port competitiveness and reduce overall transport costs.

On the North side of the shore, the “Mediterranean” strategy of its ports passes through the improvement of their position with respect to the North of Europe. As discussed earlier, South European ports suffer from competition from the major port-industrial complexes of the North Sea resulting in congestion of the North and dependence of the South. Apart from intermediterranean traffic, Europe is the largest partner in world trade. 90% of this trade is effected by sea and most of it arriving or departing from a very small territory on the shores of the North Sea. The strategy therefore for maritime transport policies is to reequilibrate this traffic by improving port operations and port facilities in the South and increasing their competitiveness and by extending their hinterland to serve areas of European territory now served by the North, through integration with the transeuropean networks and through improvement of their intermodal connections.

If for South-West European ports the main aim is decentralisation, decongestion and restoring equilibrium within the territory of the European core, for the eastern flanks of the EU the main issues that have to be faced are peripherality, marginalisation and the integration of a vast new hinterland. While for the West the problem is to provide the missing links and improve efficiency, for the East the issue is to provide basic infrastructure in a particularly deficient situation, requiring massive investments.

The issues involved are complex and multifaceted, but for the purpose of this presentation this discussion shall focus once more on the South-East of Europe but this time to briefly review the conditions for improving East-South traffic, involving the following subthemes:

- traffic between "Middle Europe" and the central and eastern European Countries (CEECs) with the eastern Mediterranean flank of the EU, i.e. Greece, and

- transit traffic of CEECs as well as of the Confederation of Independent States through the Mediterranean coast.

The first is a theme of regional importance and refers to the difficulties of connecting one of Europe"s isolated Mediterranean promontories with its centre, demonstrating new possibilities provided by short-sea transport.

The major connection of Greece with Europe has been through the North-South axis of the former Yugoslavia. Instability and crisis has disrupted this axis, as well as the other major regional axis, from Sofia to Turkey. The alternatives that were sought revealed new possibilities that had not been realised to their full extent before this crisis: short-sea transport across the Adriatic could become a competitive alternative to the North-South axis even under conditions of stability if fast and reliable ferry service, connected intermodally to the transeuropean networks, is established. With the gradual stabilisation in the Balkans, the North-South axis will regain its importance and acquire new impetus in its new role serving inter-Balkan co-operation. In fact, multiple North-South links need to be developed across the northern border. But connection through the eastern gateways would remain competitive for traffic while it would offer the additional advantage of integrating a formerly isolated part of Greece into its major national infrastructure.

The second theme has wider regional implications for Mediterranean maritime transport. As the economies of central and East European countries and the CIS expand and internationalise, their trade and exchanges will increase, not only with western Europe, but also with the Mediterranean and the outside world. The gravity centre of Europe is expected to move eastward, especially after enlargement and bilateral accords. The implementation of North-South axes, such as the trans-European motorway, and the longer corridor No. 9 connecting Finland, Poland and the major Russian urban industrial complexes with the South will increase the importance of a series of southern ports from the Adriatic to the Black Sea. As the North Sea ports become congested, the Baltic Sea, the Adriatic and the Aegan ports will play a leading role as gateways to this vast hinterland. Thessaloniki is already functioning as a transit port for a wider area within the Balkan perinsula and has done so in the past, even under conditions of limited relations with the Balkans. The role of Thessaloniki as a major Balkan port had long been evident and, depending on the fluctuating political relations with the neighbours, several projects were put forward, none of which materialised. The most ambitious was proposed in 1976, and involved the creation of a Europort complex, in conjunction with the construction of the trans-European motorway which will connect Gdansk with the Mediterranean and of an inland waterway which would link the Danube to the North Aegean via Axios River.

The implementation of the nine corridors would endow east Mediterranean ports with links

with the central and east European hinterland enhancing their role in intermediterranean trade. It is indicative that at the Pan-European Transport Conference of Crete (1994) where the nine priority rail and road corridors in central and eastern Europe were agreed upon by the Council of Ministers, Corridor 9 was amended to extend from Plovdiv to Alexandroupolis in order to reach a Mediterranean sea front.

The role of each port on this front will vary. Deep sea ports can function as transoceanic terminals or transshipment points while smaller ports can service feeder lines and short-sea shipping extending throughout the Mediterranean and the Black Sea and beyond.

EU Policies for maritime transport

The conclusion shall focus on some aspects of European policies that are likely to affect Mediterranean maritime transport in the future. Of course, the most important impacts are expected from the new Mediterranean policy of the EU and the gradual establishment of an economic zone of free exchanges. The boost of trade and aid to development may provide the impetus for new regional initiatives on both shores that will alter the present structure of exchanges.

But concentrating on sectoral EU policies with respect to the maritime sector itself, to which the Union is recently attaching increasing importance, three issues seem to be relevant to our discussion.

The first is related to European policies to promote short sea shipping as an alternative to road transport, with the aim of reducing road congestion, improving the environment and strengthening economic and social cohesion.
Short sea transport is in general the cheapest way of transport, it is safe and environmentally friendly, and is particularly suited for the geomorphological characteristics of the European peninsula with the interweaving of land and sea and the large number of islands. Further, short sea shipping is energy and investment efficient compared to all other means of transport and spare capacity is available.

As the construction cost of infrastructure per unit of cargo transported is lower for maritime than for road transport, an appropriate tarification policy for all different modes, reflecting both internal and external costs, would increase the attractiveness of sea transport. The Commission is actively pursuing a policy in favour of short sea shipping. This is particularly encouraging for the mediterranean transport prospects. In peripheral and third countries where terrestrial transport systems are undeveloped and in areas where there is no traffic alternative (e.g. islands, bulk, Maghreb/Europe, Adriatic) short sea shipping could be a vehicle to promote integration and cohesion.

Policies to support short sea transport are reflected in European policies with respect to ports. The Commission considers that the Treaty”s general provisions such as the freedom to provide services and competition, as well as the principle of subsidiarity, are also applicable to sea ports. This explains why policy regarding Trans-European networks does not cover a plan for European ports of Community interest. Instead, it can support port related investments on the merit of each project provided it is viable, i.e. it will not distort competition and will either

facilitate the growth of Community trade and support the principle of sustainable mobility, especially by promoting short sea shipping, or it will improve accessibility and strengthen economic and social cohesion. To provide the basis to evaluate such projects, a group of experts has been set up to study and evaluate in each regional sea, including the Mediterranean, the current situation regarding ports and maritime transport in general.

The final issue concerns the European policy with respect to transport in the framework of the new Euromediterranean partnership.

At the Barcelona Euromediterranean Conference the participants agreed on a work programme which includes transport as one of the areas of co-operation. According to this programme co-operation will focus on :

– the development of an efficient trans-Mediterranean multimodal combined transport system;

– the development of east-west land links on the southern shores, and

– the connection of Mediterranean transport networks to the trans-European network in order to ensure their interoperability.

In parallel a Mediterranean waterborne transport working group was set up following a regional conference for the development of maritime transport in the Mediterranean and adopted a multiannual programme.

Following these development it should be expected that maritime transport issues in the Mediterranean will get increasing attention on the part of the Union.

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EEC total imports from MNCs (1990) and share of EEC southern countries - excluding energy

	EASTERN MEDITERRANEAN	WESTERN MEDITERRANEAN	TOTAL	%
SPAIN	387 866	407 757	795 623	4,84%
GREECE	248 925	37 010	285 935	1,74%
ITALY	1 609 194	1 027 328	2 636 522	16,05%
PORTUGAL	66 247	41 586	107 833	0,66%
MED. FRANCE	202 095	426 172	628 267	3,82%
SOUTH OF EUROPE	2 514 327	1 939 853	4 454 180	27,11%
%	56,4%	43,6%	100,0%	
NORTH OF EUROPE	8 028 335	3 945 508	11 973 843	72,89%
%	67,0%	33,0%	100,0%	
TOTAL	10 542 662	5 885 361	16 428 023	100,00%
%	64,2%	35,8%	100,0%	

Sources: COMEXT + French Customs, 1990, in thousands of ECUs

EEC total to MNCs (1990) and share fo EEC southern countries

	EASTERN MEDITERRANEAN	WESTERN MEDITERRANEAN	TOTAL	%
SPAIN	891 893	1 153 113	2 045 006	6,07%
GREECE	743 732	139 782	883 514	2,62%
ITALY	3 483 787	3 294 443	6 778 230	20,11%
PORTUGAL	104 847	81 553	186 400	0,55%
MED. FRANCE	159 271	425 062	584 333	1,60%
SOUTH OF EUROPE	5 383 530	5 093 953	10 477 483	30,95%
%	51,4%	48,6%	100,0%	
NORTH OF EUROPE	13 220 879	10 009 285	23 230 164	69,05%
%	56,9%	43,1%	100,0%	
TOTAL	18 604 409	15 103 238	33 707 647	100,00%
%	55,2%	44,8%	100,0%	

Sources: COMEXT + French Customs, 1990, in thousands of ECUs

Eur 12 exports by reporter and partner country - 1990 - Split by the most important transport modes

			France	Belg. Lux.	Nether-lands	German y (ex-GFR)	Italy	U.K.	Den-mark	Greec e	Port.	Spain
NORTH AFRICA (1)	**Total**	1000 T Mio ECU	6 775 6 391	1 005 875	1 769 1 018	1 572 3 202	5 907 3 851	1 047 1 064	488 221	514 160	193 87	3 202 1 249
	Dt Sea	T ECU	89,30% 65,90%	94,50% 61,90%	46,10% 54,10%	41,30% 47,30%	91,60 % 69,70 %	99,30 % 79,30 %	97,50% 56,60%	99,10% 94,90%	98,00% 80,70%	97,80% 88,90%
	Dt C. Rail	T ECU	3,60% 1,60%	0,80% 0,60%	42,30% 15,60%	3,30% 2,10%	1,10% 1,40%	0,20% 0,30%	0,70% 4,50%	0,00% 0,00%	0,30% 1,00%	0,00% 0,10%
	Dt Road	T ECU	5,80% 13,30%	3,70% 26,80%	7,20% 22,50%	18,20% 32,60%	6,30% 14,40 %	0,20% 0,30%	1,60% 16,70%	0,80% 1,90%	1,40% 11,50%	1,90% 2,80%
	Dt V. Inland water ways	T ECU	1,00% 0,30%	0,30% 0,20%	4,20% 2,10%	36,20% 7,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
NEAR AND MIDDLE EAST (2)	**Total**	1 000T Mio ECU	3 779 4 512	1 569 2 381	2 343 1 955	3 202 7 090	2 946 4 129	1 898 6 764	829 571	649 255	131 70	1 793 923
	Dt Sea	T ECU	78,90% 35,70%	91,90% 35,10%	51,30% 52,40%	49,40% 37,50%	85,50 % 62,70 %	97,80 % 49,80 %	92,80% 66,90%	94,70% 85,70%	97,10% 33,80%	98,70% 84,40%
	Dt C. Rail	T ECU	8,80% 4,30%	1,10% 0,50%	35,30% 8,30%	5,40% 3,00%	1,40% 1,60%	0,00% 0,00%	2,70% 6,40%	0,00% 0,00%	0,90% 1,40%	0,30% 0,70%
	Dt Road	T ECU	10,80% 16,90%	5,20% 8,50%	9,70% 22,80%	19,00% 29,90%	11,10 % 21,70 %	0,30% 0,20%	4,40% 18,30%	5,10% 6,20%	1,60% 5,70%	0,90% 8,50%
	Dt V. Inland water ways	T ECU	1,10% 0,50%	1,50% 0,80%	3,10% 1,40%	23,60% 8,10%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
"OTHER EUROPE" (3)	**Total**	1 000T Mio ECU	2 111 1 901	770 484	1 665 850	1 364 3 875	2 527 2 369	940 1 561	93 169	1 080 282	164 79	6 364 4 223
	Dt Sea	T ECU	73,20% 23,30%	88,10% 48,00%	73,00% 46,10%	32,70% 18,50%	82,00 %	98,90 %	83,30% 47,90%	84,50% 63,60%	87,80% 71,70%	78,50% 77,20%

							40,60 %	84,90 %				
	Dt C. Rail	T ECU	5,10% 2,90%	0,80% 3,70%	12,80% 5,20%	8,00% 6,30%	3,00% 2,40%	0,00% 0,10%	3,40% 5,00%	0,70% 0,50%	0,00% 0,20%	0,10% 1,10%
	Dt Road	T ECU	20,20% 52,20%	6,80% 35,10%	8,20% 38,10%	36,10% 61,20%	12,30 % 40,20 %	0,40% 0,20%	12,90% 30,30%	14,30% 25,00%	2,90% 14,80%	21,00% 10,70%
	Dt V. Inland water ways	T ECU	1,30% 0,90%	4,20% 2,80%	5,90% 1,90%	20,80% 3,50%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
TOTAL extra EUR 12	**Total**	1 000T Mio ECU	51 357 64 587	26 060 26 524	33 921 25 221	61 675 142 750	33 954 55 881	47 901 66 366	13 000 13 327	8 809 2 286	3 881 3 435	28 269 16 259
TOTAL intra EUR 12	**Total**	1 000T Mio ECU	110 952 108 502	90 611 66 166	162 138 81 918	137 067 169 616	39 176 77 891	80 288 75 199	11 267 14 395	9 210 4 043	8 529 9 470	29 953 29 948

NOTE: Information non available for Ireland.
Source: EUROSTAT
AGENCE TAD

(1) Algeria, Egypt, Libya, Morocco, Tunisia.
(2) Israel, Jordan, Lebanon, Syria, Bahrain, Iran, Irak, Kuwait, North Yemen, Oman, Qatar, Saudi Arabia, South Yemen, United Arab Emirates.
(3) Turkey, Malta, Cyprus, Canaries, Andorra, Gibraltar, Vatican.

EUR 12 imports by reporter and partner country - 1990 - Split by the most important transport

modes

			France	Belg. Lux.	Nether lands	Germany (ex-GFR)	Italy	U.K.	Den-mark	Greece	Port.	Spain
NORTH AFRICA (1)	**Total**	1000 T Mio ECU	19 017 4 676	6 877 1 085	7 268 1 288	17 869 3 497	54 815 7 934	5 968 971	210 67	3 297 344	3 216 480	15 209 2 080
	Dt Sea	T ECU	99,00% 80,70%	91,70% 67,40%	71,90% 64,80%	15,50% 16,10%	84,00 % 84,00 %	99,90 % 95,50 %	97,60% 49,60%	99,30% 97,10%	99,80 % 99,30 %	97,80% 94,20%
	Dt C. Rail	T ECU	0,00% 0,00%	0,00% 0,00%	0,00% 0,10%	0,10% 0,40%	0,00% 0,10%	0,00% 0,00%	0,10% 0,50%	0,00% 0,00%	0,00% 0,10%	0,00% 0,00%
	Dt Road	T ECU	0,50% 9,90%	0,80% 25,40%	0,60% 6,90%	0,50% 19,50%	0,10% 1,30%	0,00% 0,00%	2,10% 44,60%	0,60% 1,10%	0,20% 0,30%	2,20% 5,00%
	Dt V. Inland water ways	T ECU	0,40% 0,30%	7,40% 4,00%	11,20% 10,80%	3,30% 2,60%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
NEAR AND MIDDLE EAST (2)	**Total**	1 000T Mio ECU	37 071 5 381	5 783 1 281	36 803 4 709	17 632 3 410	30 113 4 302	13 966 3 099	2 094 277	6 288 683	4 127 546	13 550 1 820
	Dt Sea	T ECU	99,70% 89,20%	12,60% 11,50%	99,60% 96,00%	7,60% 11,20%	99,40 % 94,10 %	99,50 % 67,60 %	99,70% 93,00%	99,60% 97,50%	99,90 % 98,10 %	98,40% 93,60%
	Dt C. Rail	T ECU	0,10% 0,20%	0,00% 0,10%	0,10% 0,40%	0,10% 0,50%	0,00% 0,50%	0,00% 0,00%	0,00% 0,40%	0,00% 0,00%	0,00% 0,50%	0,00% 0,20%
	Dt Road	T ECU	0,20% 2,50%	3,90% 14,90%	0,20% 1,10%	0,90% 10,30%	0,60% 3,10%	0,00% 0,00%	0,30% 2,90%	0,00% 0,50%	0,00% 0,10%	1,50% 3,80%
	Dt V. Inland water ways	T ECU	0,00% 0,00%	1,00% 0,90%	0,00% 0,10%	3,50% 3,40%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
"OTHER EUROPE" (3)	**Total**	1 000T Mio ECU	750 910	509 286	513 456	1 176 2 895	3 730 1 363	911 1 047	63 86	348 161	162 49	2 868 1 067
	Dt Sea	T ECU	82,30% 17,70%	85,10% 41,70%	79,70% 46,90%	18,90% 5,20%	95,30 % 52,80	97,40 % 81,60	86,40% 40,40%	84,90% 58,00%	97,10 % 83,20	86,00% 85,90%

							%	%			%	
	Dt C. Rail	T ECU	0,10% 0,10%	0,00% 0,10%	0,10% 0,10%	4,30% 2,00%	0,20% 0,90%	0,00% 0,00%	1,20% 0,60%	0,60% 0,90%	1,20% 2,50%	0,10% 0,30%
	Dt Road	T ECU	16,10% 43,10%	9,50% 44,40%	14,80% 44,20%	43,10% 78,90%	3,70% 26,20 %	0,20% 0,10%	12,10% 50,90%	14,30% 37,30%	1,10% 11,90 %	13,70% 7,70%
	Dt V. Inland water ways	T ECU	0,40% 0,00%	4,40% 2,90%	4,30% 0,90%	28,30% 2,40%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%	0,00% 0,00%
TOTAL extra EUR 12	**Total**	1 000T Mio ECU	173 856 67 174	73 637 29 744	160 213 43 169	189 316 122 619	20151 3 60353	128192 84316	27 759 11 636	17 355 5 578	23 168 6 140	98 118 27 298
TOTAL intra EUR 12	**Total**	1 000T Mio ECU	109 484 124 223	113 700 66 610	114 323 63 694	185 141 145 702	64 750 81 642	60 807 89 384	10 688 13 677	6 169 9 984	9 746 13 674	28 836 38 914

NOTE: Information not available for Ireland.
Source: EUROSTAT
AGENCE TAD

(1)Algeria, Egypt, Libya, Morocco, Tunisia.
(2)Israel, Jordan, Lebanon, Syria, Bahrain, Iran, Irak, Kuwait, North Yemen, Oman, Qatar, Saudi Arabia, South Yemen, United Arab Emirates.
(3)Turkey, Malta, Cyprus, Canaries, Andorra, Gibraltar, Vatican.

Overall Trade of Mediterranean EU - Member states 1992
(excluding intra-EU trade) Unit: 1,000,000 tons

EU Member State	Import from... countries			Export to... countries		
	Mediter.	Other	All	Mediter.	Other	All
FRANCE	27.1	153.4	180.5	7.8	42.5	50.3
GREECE	6.9	15.0	21.9	2.5	6.3	8.8
ITALY	54.5	129.9	184.4	7.1	18.3	25.4
SPAIN	24.0	90.3	114.3	6.3	16.3	22.6
TOTAL	112.5	388.6	501.1	23.7	83.4	107.1

Source:Lloyd's Maritime Information Services Ltd in a DG VII report on intra and extra EU maritime trade flows

These figures include trade volumes from the Atlantic coasts of France and Spain.

Trade Flows between the EU - Mediterranean Coasts 1992
(excluding intra-EU trade) Unit: 1,000,000 tons

EU Member state	Imports			Exports		
	Intra M.	Extra M.	Total	Intra M.	Extra M.	Total
FRANCE	10.0	54.3	64.3	1.7	6.7	8.4
GREECE	6.9	14.6	21.5	2.5	6.1	8.6
ITALY	54.5	117.8	172.3	7.1	13.1	20.2
SPAIN	15.8	59.0	74.8	4.4	10.4	14.8
TOTAL	87.2	245.7	332.9	15.7	36.3	52.0

Source:Lloyd's Maritime Information Services Ltd in a DG VII report on intra and extra EU maritime trade flows, HPC estimations

Source:EC (1995a)

TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

3. Development and consequences for the transport networks of southern Europe of the opening up of the countries of central and eastern Europe

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In our dynamic time, the striving to transportation, and exchange of loads, goods and information and contacts between the people, determines and motivates more and more the activities politicians, businessmen, experts and ordinary people in their pursuit of a more open and communicating world. The possibilities for carrying and exchanging information become a very important factor of development.

Technical infrastructure, which is the material base for this motion, is an important even to a certain extent decisive factor for the economic and social prosperity of territorial communities. There is a close connection and mutual interrelation between the sustainable social-economic development of a certain territory and prospects of its technical infrastructure.

The infrastructure systems (transport, communication, energy and water supply) have an integral influence and determine to a considerable extent the general development of states and regions, where they cause a number of processes and events which “narrow” or “extend” their physical space.

The infrastructure systems themselves are in complicated interrelations and they mutually influence and develop each other, as the links within the infrastructure junctions (nuclei) – settlements, production agglomerations, independent large infrastructure projects – are particularly complicated. There the various infrastructure systems carry out their interrelations as well as those with the remaining functional systems on the territory which influence the ecological parameters of environment.

The changes in the world and particularly in Europe during the last several years caused by the dynamic economic and political processes provided totally different and new conditions and set a number of new requirements to the development of various countries and whole regions and their technical infrastructure. In general, the factors that demand a new approach to the problems of infrastructure development are:

- the democratic reforms in central and eastern Europe and disintegration of block division of the continent;

- the new economic conditions in these states and the resulting restructuring of European markets at increased activities of market mechanisms;

– the disintegration of the Soviet Union and the appearance of a number of independent states in its place;

– a new strategy for development of raw materials flows from the East to the West and industrial goods and technologies from the West to the East;

– an increased mobility of people, loads and information in the United European space.

However, during the analysis of the European infrastructure system, one should not neglect the already existing scheme and has to follow the functioning model.

During the whole history of European infrastructure development the geographic, political and economic factors have been in a complicated but indivisible link. This resulted in the present available situation which could be defined generally by the following main characteristics:

1. West European infrastructure has developed striving for an access to the world water ways. Thus a powerful infrastructure link has been formed from the North Sea to the Mediterranean Sea. Along this infrastructural corridor (the so-called in West European analysis slang "green banana") is situated the prevailing part of West European economic, industrial and intellectual potential. It also forms the natural outlets of this part of the continent to the world – to the Atlantic Ocean in western and north-western direction and to the Mediterranean Sea in the east and south-east direction.

2. Central and eastern Europe's infrastructure has been formed out of its striving for relations with the richer and developed West and in connection with the management of raw material flows from Russia to Western Europe. The above mentioned development from the East to the West has not been changed even throughout the forty years of the existence of the COMECON and the block division of the continent which have only developed more to the East, but the general direction has not been changed. It's only Russia from its position of a world great power which has developed independently its national infrastructure from North to South seeking access to the world through the Baltic Sea and the Arctic Ocean to the North and the Black Sea to the South.

Today the countries from Central and Eastern Europe and those from the Balkan area in particular are facing the new challenges of the end of the twentieth century – challenges of the new European integration and the new European division.

In order to provide the sustainable development of the whole of Europe, it is necessary that these countries should seek their place at the world markets. For this purpose, their integration with the West, which they have traditionally aimed towards and supported by the European Union, forming the infrastructure development East-West (which meanwhile has been included in the paneuropean transport conference held on the island of Crete) is a possible opportunity. This possibility should be combined with an equal integration between the countries from central and eastern Europe themselves as a result from their comparatively equal level of development and first of all from the necessity of independent outlets to the rest of the worlds and its markets. Such outlets for this part of the continent are the Baltic Sea to the North and the White and Mediterranean Sea to the South. Thus Europe could get a new infrastructure corridor

to the East, an alternative to the powerful Western one. Due to the large territory which will be served by this eastern corridor, as well as due to purely objective geographic reasons, it could be formed by two parallel branches. One of them that could be called “western” branch starts from the North of Poland, passes through Slovakia, Hungary, Romania, Bulgaria and Greece. The other one starts from the Baltic Republics and northern Russia, passes through Belarus, Ukraine, Moldova, Romania, Bulgaria and ends at the Mediterranean coast of Greece and Turkey.

Such development of the United European infrastructure could contribute considerably to the sustainable development of eastern and central Europe and maybe to the largest extent, to the Balkan area and the eastern Mediterranean.

For a long time, the Balkan area was (and unfortunately it has not been overcome yet) an area of conflicts and contradictions between military blocks, ideological concepts, religions and global strategic doctrines.

However, today’s situation in the world and Europe gives a unique possibility fur using its large economic, political, transport and other benefits resulting from the priorities of the Balkan peninsula’s geostrategic location. The peninsula being a bridge between three continents – Asia, Europe and Africa – is a zone of comparatively equally developed countries, a traditional cross roads between Siberia and Middle Asia rich in raw materials, the industrially developed middle and western Europe and the Middle East, and a natural access of eastern and central Europe to the Mediterranean Sea.

For a long period of time the world political situation did not allow to use these benefits. However, the process of change gives a chance for quick development which also gives a possibility to solve some internal conflicts within this area. However it should be taken into account that these processes themselves cannot solve automatically all inherited and newly appeared problems. The road to implementation of the rich possibilities for economic and infrastructure development is not easy and requires an exceptional wisdom and tact on behalf of the politicians and businessmen as well as high professional level of the experts.

As it is complicated and delicate to bring a balance between sometimes various interests of the different countries and various participants in the processes within this area, it is therefore particularly important to act not only with regard to the various steps in order to realize important initiatives and projects, but rather in connection with the integral strategy of common activities and mutual co-operation both between the various countries, as well as together with other states and structures outside the area. It is only such an integral strategy that could unify all views and could place each participant in equal position with a view to guaranteing mutually beneficial co-operation and proper final results in the near and distant future.

The problems of development of European infrastructural corridors on Balkan countries’ territory should take the first place in such a strategy, as well as their relation to national infrastructures, their effects on the development of national territory and their connection with the neighbouring countries’ infrastructure.

Starting from this ground one constructs the Bulgarian national model of technical

infrastructure based on several important characteristics:

- development of the system in such a way that it could provide the increasing intensity of the country's external connections;

- efficient use of the available material base and the existing equipment and routes;

- a sensible balance between the internal (local) interests, national priorities and the interests of neighbouring and other states and communities.

At the same time, there is also an attempt to solve set-up problems which generally could be divided into the following groups:

- maximum compatibility of the routes of various infrastructures with a view to determining infrastructural spatial corridors;

- optimization of junctions (cross and transfer points) of infrastructures axes and corridors;

- ecological improvement of technical infrastructure development and protection of environment qualities;

- carrying out of national and regional tasks for balanced development and revival of some parts of the country's territory.

The most significant part of the integral model of technical infrastructure is the model of transport infrastructure. Transport infrastructure itself is particularly important for the future co-operation between the Balkan countries and their relations with Europe and the world.

One of the European transport corridors developing with priority, passing through Bulgarian territory, is Eurocorridor "Helsinki-St Petersburg-Moscow-Kiev (Odessa)-Bucharest-Haskovo-Alexandropolis", connecting the Baltic Sea and Black Sea with the White Sea. The corridor is formed by road, rail road infrastructure from the highest class, international harbours and airports. This corridor is also important for the other countries from the Balkan peninsula, namely Romania, Greece and Turkey.

On Bulgarian territory it crosses the traditional transcontinental direction London-Calcutta. Therefore according to the studies, besides its independent status as a main European North-South route, serving the Eastern part of Europe, it also represents a suitable route connecting the most ancient road from Europe to the East (London-Calcutta) and the newest transcontinental transport route Hamburg-Berlin-Warsaw-Minsk-Moscow to China and India; and being such it will have a serious impact on the possibilities to connect the Balkan area both to the North-East as well as to North-West.

The branch of Eurocorridor No. 9 to the Balkans in the transport direction Odessa-Braila-Silistra-Shoumen-Yambol-Elhovo (Svilengrad-Alexandropolis)-Odrin-Istanbul performs the functions of a meridian link serving the rear of the West Black Sea coast and connecting it with

the White and Mediterranean Sea to the South and the Baltic Sea to the North. At present it is a problem to cross the Danube river at Silistra-Kalarash, and the provided ferryboat link which will serve this passage would hardly be the best solution. The construction of a new bridge could be an alternative to the ferryboat, in order to speed up the connections and restructuring of transport flows.

This transport corridor is an important element of the transport system serving the Black Sea coast and its connection to the Mediterranean basin. The rear location of this infrastructure with respect to the coastal area allows the expected intensive transit load traffic.

Insofar as this corridor links three seas, it should be emphasized that for many years the Bulgarian policy's aim has been to develop infrastructure production activities in both large Bulgarian harbour cities, Varna and Bourgas, facing the dry land, and organise a reliable rear suitable for their harbour functions.

The set-up planning of Varna-Devnya production complex could be determined like a model for sustainable development. It enabled to construct Varna-West port and develop Devnya production complex in such a way that recreation possibilities of the sea shore and its tourist and social functions have not been violated.

Following these considerations, it appears that during the further construction of infrastructure projects along the sea coast for sustainable development purposes, the complexity of problems and the necessity of modern, ecological, set-up technical and technological decisions should be also taken into account. In this sense, some proposals have been also prepared, i.e. the Eastern branch of the North-South corridor in its part along the Bulgarian Black Sea coast should be arranged facing the dry land rather than the coast itself.

The European transport corridor Adriatic-Black sea is particularly important for Bulgaria and of prime importance for the other countries in the Balkan area. This transport corridor shall connect southern Russia and the Caucasian area to middle Asia, Italy and the southern part of the European Union by the shortest possible and most suitable link. It is possible that it could be developed further into a railway, a road, communication line, and later on into a duoline.

Together with the northern branch of the East-West Eurocorridor (Budapest-Bucharest-Constantza) and its southern route along the ancient road Via Ignatzia (through Thessaloniki), certain conditions shall be provided for a considerable increase of traffic of goods and loads between the East and the West quite profitable for all countries in the area.

The development of the so-called Eurocorridor No. 4 is considerably important for this area. Insofar as the Paneuropean Conference on the Island of Crete had determined it as an alternative route to the classical transcontinental London-Calcutta corridor through the territory of the former Yugoslavia during the embargo, now after the cancellation of the United Nations sanctions, it should be reconsidered having in mind the new situation. The route through Romania (Budapest-Bucharest-Constantza) cannot be seriously considered as a competitive one to the route Budapest-Krajova-Vidin-Sofia-Thessaloniki.

The Lom (Vidin)-Sofia-Thessaloniki corridor however could be considered as a part of the

North-South corridor of eastern Europe (Poland-Belarus-Ukraine-Romania-Bulgaria-Greece) and it should be developed and constructed as such.

At the same time, the London-Calcutta Eurocorridor connecting Budapest-Belgrade-Sofia-Istanbul should be constructed as it definitely is the shortest and most suitable road from western Europe to the Near and Middle East.

The transport corridor Lom (Vidin)-Thessaloniki is particularly important in the connection of the most important internal European waterways – the Danube river with the White and the Mediterranean Sea.

The countries in the area striving for the construction of the corridor and binding with the United European technical infrastructure, should not neglect the fact that the infrastructure is exclusively expensive and requires great material and financial resources. These resources are insufficient in the area and it is obviously necessary to attract investments from the outside – the European Union, the world financial institutions or private capitals. Bulgaria has prepared a law for concessions, it was voted by the Parliament thus enabling foreign capitals enter the sphere of infrastructures.

Besides the infrastructural axes of European importance, one should also assess the importance of regional infrastructure, connecting the various countries in the area for their sustainable development. No matter that before 1989, Bulgaria had different relations with the neighbouring countries, the dry land infrastructural connections with these countries had not been developed much since then and this unfortunately cannot be considered a success.

The available infrastructural links with Romania, Turkey, Greece, Serbia and "the former Yugoslav Republic of Macedonia" have developed as part of subnational infrastructural routes rather than as a result of developed interstate and regional relations. This has brought to a dead-end development of national infrastructures in much larger zones than the border territories. It was only during the last two-three years that trends for development of local and regional infrastructure relations have speeded up and connection of national infrastructure networks have been set up. These tendencies got support and it is thought that their development enables the improvement of good neighbouring relations and economic relations and helps for their sustainable development. These tendencies are an example for mutual co-operation between the states and contribute to a considerable extent to the stability and security in the area. This includes the plans to open border check-points: between Bulgaria and Turkey in the area of Lessovo-Hamsa Beyli, between Bulgaria and Greece along the Mesta river valley, the Makaza and Sredna Arda passes, between Bulgaria and Romania – the already existing ferryboat between Oryakhovo and Becket, the projects for ferryboat links between Silistra and Kalarash and between Toutrakan and Oltenitza, the negotiations with a view to opening three new check-points between Bulgaria and "the former Yugoslav Republic of Macedonia".

Besides transport, the relations in the field of energy, communication and telecommunication infrastructures are very important for the regional development. A lot of work is being done in Bulgaria in this connection but it is possible to extend it.

One of the most prospective schemes of sustainable development through the infrastructure of

the Mediterranean and partly the Balkan area, could be the duty free zones as a form for economic activation of the territory and use of its potential.

The cross roads location of the area in world flows of goods and loads and its situation at the border between the industrially developed West and the East – rich in raw materials and markets – is a prerequisite to the institution of such duty free zones.

The concentration of these flows in infrastructural junctions along the coasts (Black Sea, White Sea, Adriatic Sea and Mediterranean Sea), where large demographic, technical and economic potentials are usually concentrated, enables a rapid development of various activities.

The provision of taxation, customs and other relieves and preferences could act as a mechanism to attract direct foreign investments, stimulate trade, influence favourably upon regional development and have an impact on industrialisation.

When these duty free zones are located in crossroads areas with developing economy as is the case with the Balkan area, then they could be an actual catalyzer for co-operation and development.

Bulgaria has made serious steps in this respect and the existing duty free zones in Bourgas and Varna can be developed as main centres of economic co-operation in the area.

A final word to reaffirm that the construction of infrastructure in the Balkan area is a main prerequisite for sustainable development and that it is necessary for the infrastructure problems to be solved in a complex and integral way. To a large extent this refers to the coastal zones (Black Sea, White Sea and Mediterranean Sea) which shall concentrate more and more activities and functions.

It is only the integral set-up approach and special regulation of processes that could simultaneously develop as required the infrastructure and at the same time protect the ecological equilibrium and develop other important activities and functions like tourism, economy and social sphere.

Taking into account all these elements, as well as occasional serious differences in various interests, Bulgaria considers its national model not as an attempt to impose decisions but rather as a professional system to coordinate these decisions, and it shall be developed as such for the future.

This has been declared by the Bulgarian government which offered to host a Co-ordination Centre for development and construction of parts from European infrastructural corridors on the Balkans.

TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

4. Opportunities for increasing the productivity of European transport infrastructures in the states of southern Europe

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1. INTRODUCTION

Southern Europe is a general designation that may be interpreted in a number of different ways. For the purpose of this paper, the basis of commonality for all regions in such a set was considered to be location on and proximity to the northern edge of the Mediterranean Sea, proximity being taken as a distance from that edge up to some 500 km[1].

Given the general purpose of the seminar, no attempt has been made to portray specific situations or give account of comparative indicators of performance of the transport sector or of the transport infrastructures of various countries or regions. In what follows, a synthesis is made of what is perceived as the main problems facing these regions on their transport sectors, especially in what sets them apart from the richer regions in the core of Europe, followed by a discussion of the strains that will be created as they try to modernise their transport systems and must satisfy growing environmental compatibility standards. A concluding section produces some reflections and specific recommendations as contributions to be made at the transport sector level towards an overall strategy for development and cohesion in Europe.

2. CURRENT SITUATION AND RECENT TRENDS

Partly as a result from proactive policies at the European Union level, a growing economic integration of Europe is currently a very clear trend: for most regions of Europe the weight of the other European countries in their commercial balance has been growing. This growth of trade among European partners places added demands on European transport infrastructure. But the signs of inadequacy of the current state of these infrastructures to respond with satisfying levels of performance are similarly clear.

However, if one looks at the problems of development at a larger scale, and namely consider the importance of international trade in promoting development in neighbouring countries, both to the east and to the south of Europe, one easily comes to the conclusion that there is a significant European interest in some elements of transport infrastructure which do not primarily serve intra-European connections. For southern Europe, this applies mainly to connections with the Middle East and with northern Africa.

Given the pattern on location of population and economic activities in Europe, many of the southern regions of Europe are also peripheral regions, far from the main centres of economic activity. Some of those regions also have problems of substandard of their infrastructure, partly due to a general lower level of economic development, partly due to insufficient long-distance traffic to justify the upgrading investment.

Railways and ports also frequently have low performance levels. Given the relatively low volumes of traffic, probably this low performance is more the responsibility of poor organisation and management than of significant capacity constraints.

Although there are similarities among all countries in southern Europe, there are also many differences in relation to their economic situation and level of performance of their transport systems. For the present situation, the main distinctive factor still is the post-second World War integration in the west or in the east block.

The southern countries integrated in the west block are members of the European Community either since its creation in 1957 (France and Italy) or have joined it in the 80s (Greece in 1983, Portugal and Spain in 1986). The countries formerly integrated in the east block have initiated strong political changes around 1989-90, but the lack of experience of a market economy and the lower availability of capital in most cases has prevented rapid modernisation of transport systems.

In the southern countries belonging to the European Union, visible progress has been made in the extension and quality of land transport infrastructure aimed at serving international connections (although also quite often heavily used by internal traffic), mainly induced by the Structural Funds of the Union.

In the southern CCECs (central and eastern European countries) significant efforts have been made in developing a consistent concept and producing a feasible design for the TEM (Trans-European North-South Motorway) and for the TER (Trans-European Railway) projects, under the co-ordination of the United Nations Economic Commission for Europe (UN-ECE)[2].

Although the fundamental agreements have been reached at those levels, financing difficulties have prevented real construction of these networks by any substantive measure.

In the last few years another type of problem came up: civil war among the republics of former Yugoslavia. Apart from the implications of this for the directly involved populations, severe changes were imposed on the routing and costs of external trade of other countries, namely Greece and, to a lesser extent, Bulgaria. Recent developments give hope that a stable peace agreement has been reached for the region, but it will certainly take a long period to recover from the damage inflicted on much of its transport infrastructure.

3. FUNDAMENTAL DIFFERENCES WITH RESPECT TO THE CENTRAL REGIONS OF WESTERN EUROPE

In the core areas of (western) Europe, settlement patterns are very different from the ones existing in southern Europe. There, the existence of large conurbations together with many cities of medium to large dimension has led to the need of creation and continuous improvement of very connected and complex networks, with a very close mesh pattern. This applies both to road and rail networks.

In the southern regions, the model of a large city surrounded by vast regions of much lower population density prevails, thus leading to much simpler networks, with clear radial structures and a large territorial dimension for the relatively few meshes.

In the core areas, high levels of congestion can be found in many links of the networks. To a large extent, this is due to the very heavy and complex flows among points within that core area, but there is also a significant contribution from through flows (north-south and east-west, but also with one end in the core and another in one of the peripheries), particularly in what regards goods transport by road.

By contrast, in the southern areas, congestion mostly occurs in and around the large cities, where most of the traffic is generated. Even when the origin and destination points of one transport are located far from the main cities, the very radial structure of the networks (caused by the settlement patterns) implies that in many cases the most convenient path will be through at least one of those larger cities.

Apart from these differences which can be easily observed with a naked eye, other significant differences, well known from regularly published statistics, should be stated: the urbanisation process of southern Europe is occurring with a time lag of several decades, so many of its inhabitants have changed from rural to urban in the current generation.

This provides for an overall lower mobility and income levels in average, which makes them less able to pay and more affected if they have to pay for the use of transport infrastructure: less able because available revenue is smaller, more affected because each trip under risk is one of a smaller set and so probably less likely to be cancelled without further implications.

But, in spite of these difficulties, southern Europeans are probably more willing to pay than the northern Europeans who got used to have the high quality of good roads without toll, and for

whom an imposition of a toll is considered to be a loss of a privilege. The general attitude towards toll roads in the south is that it would be preferable to have good roads with tolls than roads of an inferior quality with free access.

4. MORE TRANSPORT VERSUS BETTER ENVIRONMENT

On the issue of trans-European transport, a potential contradiction between goals of economic policy and environment policy is visible: several forces are leading to more transport, while its is well known that transport is an activity which generates global, regional and local pollution with particular difficulties when it comes to their mitigation.

The only way to solve this contradiction is to transform the transport system so that it becomes much less aggressive to the environment. This is certainly being done, but there are no certainties whether the speed of progress in this direction is enough to compensate the increase in transport volumes that are occurring.

The main forces leading to increased production of goods transport are:

- better quality of trucks and an expanding extension of motorway-standard roads in Europe, which lead to lower costs of transport;

- the creation and consolidation of the internal market, which is diminishing time losses and tariff costs associated to border crossings, thus leading to ever longer distances travelled by the goods;

- higher levels of competitiveness, pushing the utilisation of just-in-time methods in logistics, which lead to decreasing unit load sizes, and thus to more trucks on the road (even if they are smaller);

Even if trucks are showing clear progress in their environmental friendliness, in particular with respect to toxic emissions, the local pollution (noise and particles, and space consumption) and the global pollution (CO^2) effects are still great cause for concern.

Also for passenger transport, better roads and cars have led to a growing proportion of European families travel by car on their holidays, quite often on very long distances of more than 1,000 km.

These increases in long distance road travel, among other factors, have been the basis of the call for “internalisation of external costs” through which travellers would pay an additional tax equivalent to the costs they impose on others [OECD, 1993].

This internalisation of internal costs has not been approved yet but such a measure is probably inevitable in the short to mid term. Since transport by road would inevitably be the hardest hit, the road industry (through IRF, the International Road Federation) has recently promoted a study calling for the consideration of external benefits, and is actively promoting investment on extension and quality improvement of the road infrastructure through the EUROVIA programme.

Even if several different alternatives exist for this internalisation, it is likely that unit transport costs by road will increase in relation to distance (especially hurting peripheral regions) and to congestion (especially hurting core regions).

Long distance road transport, which has been steadily gaining market share over the other modes, has been able to do so mainly not because of lower prices – in many origin/destination pairs, the rail or the short sea shipping connections are substantially cheaper – but on account of a steady improvement of service quality, permanently adapting service to the needs of the clients. In many cases too, the much lower shipment size with which it reaches a high level of productive efficiency, has been a strong factor on its favour.

But the advantage of heavy goods vehicles is so great on short distance door to door services that when it comes to reducing the number of km per vehicle on the road, the tax will inevitably have to fall on long distance delivery by road. This can be done through toxic emission based taxes, or social legislation regarding the working periods of drivers, or any other measure.

The result however, and for the purpose of this paper, is the same: If the southern regions of Europe want to achieve a sustainable improvement of their social and economic integration in Europe, they must strive for availability of environmentally sounder forms of transport at the same time as they must quickly improve the general productivity of their transport systems [Viegas, 1992], as this is crucial for them to fully join the other countries not only as producers but also as consumers.

This effort of improving productivity must not only concentrate on infrastructure, but rather on all components of the system: vehicles, organisation of firms, drivers preparation, authorities intervention (regulation and simplification of procedures).

And, given the especially long distances from many of the southern European regions to the core of western Europe (where the biggest markets are located), one can even reach an apparently paradoxical conclusion: to improve the speed of the cohesion process, southern countries should diversify their trading partners, avoiding too much dependence on northern countries, and intensifying their relationships not only among themselves but also with the other countries located at the edge of the Mediterranean Sea. In both these cases, maritime transport can be strongly improved and provide transport of low cost and low environmental aggression.

5. MAIN PRODUCTIVITY PROBLEMS

Most of the productivity problems of the transport sector of southern European countries have already been mentioned, but the issue will be more systematically treated in this section.

In what specifically concerns infrastructure, the main cause for productivity are its generally lower standards of quality (speed, comfort) and capacity, both on road and rail. This stems largely from design specifications which have been systematically upgraded in the richer countries of the north as they continued expanding and improving their infrastructure.

In the south, not only new construction was generally in much lesser intensity (with the already referred exception of the new EU members since their admission), but also requalification of

existing sections (not only maintenance but also adaptation to more modern standards) was done at a very small scale. Also, maintenance of infrastructure, even if it can generally be done at larger intervals – due to lower traffic loads and a more clement weather – is carried out with a less systematic programming, often permitting that roads and rail sections be kept in operation for long periods in conditions that severely limit performance and increase safety risks.

Apart from the road surface or rail track, another vital component of the infrastructure plays here an important role: signalling. This has an important role in railway capacity and also in safety for both modes. And here too, the approach has been much poorer in the south, where there are less systematic rules for placement of road signalling, and less are performant rail signalling procedure.

But one must understand that these lower standards in some infrastructure elements are more serious in the networks of the south than they would be in the north. The lower density of networks in the south leaves the users with much less choice and thus forces them to use those degraded networks.

This loss of productivity caused by lack of redundancy is especially visible in the case of disturbances caused by accidents or even by congestion. In a less redundant network there are fewer alternative routes, and travellers have to wait until the cause of disturbance is removed, whereas in a more connected network they would be capable of finding (or even be directed towards) alternative paths.

This possibility of redirection in case of disturbance is another type of productivity enhancement measure that is now systematically present in many areas in northern Europe and still absent apart from a few exceptions in southern Europe. If the greater frequency of congestion situations in the north creates an expectation for a higher level of use – thus an economic justification on account of the number of beneficiaries –, the bigger losses to travellers each time those disturbances occur in the south leads to a higher opportunity cost of not having them installed in the south – thus an economic justification on account of the value per beneficiary.

But, as referred above, other factors hinder productivity of the transport systems of southern Europe: from the side of the authorities, bureaucracy and regulatory systems are generally more complex and cause unnecessary delays and costs; from the side of transport companies, there is less organisational know-how and less computing equipment to optimise planning and operations.

The latter are especially poor at one point of the transport system where there is also much to improve in the north: transport interchanges in general.

In the whole of the transport system, interchanges are the most complex elements, not only because there are technological difficulties of moving cargo or passengers between different vehicles (often, different modes), but also because this involves questions of synchronisation (not necessarily perfect, but desirable) of the inbound and outbound vehicles and administrative control of those transfers.

There are no special difficulties in performing these tasks when there is ample freedom to consume time and space for those transfers, but as one or the other (or both) of these vital resources become scarce – normally from increased flows in the case of space and from pressure from clients in the case of time – the organisational challenge mounts tremendously, and the differences in productivity can be enormous.

And one must remember that these interchanges are not only ports and airports, but also railway stations and all points of transfer between road and other modes, the importance of which will be growing due the mentioned environmental defence reasons.

6. STRATEGIES FOR PERFORMANCE IMPROVEMENT

From what was said above, it can be stated that direct financial support to programmes of infrastructure improvement is a vital help but is not sufficient to achieve a significant and sustained improvement in the productivity of transport systems in southern Europe.

It is essential for the Trans-European Networks (TEN) project to be ensured with a strong element of commonality, and not just with each member state doing its part of the whole. Commonality here means common functional concepts and (at least) approximately common design standards, not only in the traditional engineering sense, but also in what regards environmental impacts (CEMT, 1995). This is necessary for all modes, not only for the road, and it must cover the infrastructure and the services delivered on it.

On service dependent transport infrastructures (rail, ports and airports, intermodal interchanges), management concession to private companies is probably the best way to improve performance. Full privatisation will in many cases be unfeasible or too risky, since the need for new capital investment will be too large for the traffic volumes expected in the short term.

By franchising the management of operations (possibly with a tied-in obligation to share investment on the infrastructure or on the equipment), private partners can be brought in. Even if governments want to keep artificially low prices (which may be needed to ensure mobility and access to markets in areas of low density), tenders may be organised which allow managers to engage in modernisation programmes (for long enough periods to recoup their part of the investment) with their revenues coming from clients and partly from government.

For the case of the road, two special difficulties may be identified with respect to southern Europe: the strongly radial structure of their road networks and the long distance to markets in core areas of Europe. For the first, it is important to develop by-passes, even if the proportion of through traffic in these city areas is currently small (it is exactly this through traffic that must be relieved of the congestion caused by the remaining traffic); for the latter, as referred above, it is necessary to complete the Trans-European Road Network as planned (for which the main issue is that of financing the investment) while at the same time increasing the market share of the less polluting forms of transport must be used.

As mentioned above, the practice of tolled access to motorways does generally not face much opposition in southern Europe. While current practice on road tolls is quite varied in southern

countries, it should not prove too difficult to accept a uniform principle that the elements of the TERN should be subject to tolls, not only to finance the expansion of these networks, but also to ensure the adequate maintenance care independent of government budgets and, whenever necessary, a better traffic flow through price-based management of demand.

An interesting possibility of ensuring the above referred commonality of financing would be that a percentage of toll revenues of all sections of the TERN be considered a "common revenue" for additional investment on the network, irrespective of where it was generated.

In market economies, if the market share of other transport modes is to increase they must be attractive to the clients. That attractiveness essentially results from a combination of performance and price.

This question then becomes crucial for southern regions: performance of other transport modes (either by themselves or in combination with the road) must be strongly improved without increasing their price, so that when internalisation of external costs of transport becomes reality, particularly affecting the price of road transport, these regions will not suffer great hardship for lack of competitive alternatives.

But, apart from other features in other modes of transport – namely rail and shipping – the attractiveness of an alternative by those modes is strongly dependent on the frequency of service. On the other hand, current freight volumes are not enough to generate a minimum competitive frequency.

There seems to be in these cases a justification for a declaration of public interest in ensuring the realisation of such freight transport services, even at occupation levels well below cost coverage. The state must "safe-buy" the level of occupation that effectively recoups costs for the transport operator, while maintaining a "normal" price for the real clients of the transport. If the added frequency manages to attract some loads that were previously moving on other modes, the need to subsidise (the transport operator) will decrease without imposing price increases to the newly-gained clients.

This and other special measures may be justified only in presence of adequate knowledge of the existing flows and of the potential changes induced by such measures. So, in parallel with better infrastructure there is a vital need for better and more reliable information of traffic flows (CEMT, 1995).

A final word to repeat was has already been mentioned above, namely the fact that connections to the other sides of the Mediterranean – Middle East and North Africa – are also of great European interest and represent a significant role for the transport systems of southern Europe. The risk exists that these connections might be seen as less important than those to the core of Europe, but that certainly corresponds to a limited vision of what European interest does mean.

NOTES

[1]This covers parts of (and some cases the whole of) the following countries: Portugal, Spain, Andorra, France, Italy, San Marino, Slovenia, Croatia, Bosnia-Herzegovina, Yugoslavia, Albania, “the former Yugoslav Republic of Macedonia”, Greece, Bulgaria, Turkey. The particular case of islands in the Mediterranean was not considered explicitly although many of the considerations made would also apply.

[2]Despite the names, these are not one motorway and one railway, but rather extensive networks connecting the CEECs among themselves and with western Europe.

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TRANSPORT INFRASTRUCTURE NETWORKS IN THE COUNTRIES OF SOUTHERN EUROPE AND LINKS WITH THE EUROPEAN NETWORK

5. Development and environmental consequences of the transportation networks of central and eastern Europe in connection with the countries of southern Europe

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1. INTRODUCTION

The following paper discusses territorial and functional interaction of two essential points of transport infrastructure planning, namely development consequences and environmental impacts. Development is treated specifically within one important territorial aspect and estimations have been made on the correlation between the location of intermodal transport corridors on one side and the role of existent urban centres as the interchange points on the other.

The problems concerning development consequences and environmental impacts of traffic connections of central and eastern European regions with southern parts of Europe is very complex regarding its contents as well as its territorial extension. This paper limits itself to highlighting issues concerning the development and environmental viewpoints of transport networks in the CEECs countries (under the classification of the European Union), particularly in their connections to the southern European countries, and to other countries in Europe, as well.

The working hypothesis is as follows: previous activities of the planning process, which have been defined, e.g. nine corridors of the Second Pan-European Transport Conference in Crete (EC – Directorate General for Transport, 94), on the level of transport strategy and in the so-called Vienna Paper (Käfer 94) on the level of the programme, should be supplemented by regional and physical planning activities, particularly concerning the development consequences and environmental impacts of the intermodal transport corridors. It is proposed that interdependence of transport networks, on the one side, and interchange points and/or urban centres, on the other, represent fundamental basis for planning. The expression "interdependence" refer to the problem of circular causation, i.e.: "transport may lead to urban growth and urban growth itself may be the cause of the transport expansion", (Johnston, Gregory, Smith, 94, pp. 643). Due to the fact that besides transport-induced effects of urban growth other factors inducing effects exist therefore, regional and physical planning is essential.

Besides, regional planning levels shall be territorially adjusted to the process of regionalisation in the framework of ongoing or anticipating administrative transformation of countries in transition. This implies that the area of the new administrative unit and the planning area are the

same, and that new regional administrative centres should function also as growth centres or growth poles and as a major traffic nodes or, in other terms, interchange points.
Environment is treated within the confrontation between traffic infrastructure and comprehensive planning focusing on environmental matters. Strategic Environmental Assessment (SEA) will become compulsory for TENs from 1998 onwards. Anyway, SEA with the Social Impact Assessment (SIA) and other assessments and impacts of different sectors means that strategic planning is becoming a more and more important base for development at all. Connection to a mentioned administrative reform in the CEE countries, the possible role of natural regions as administrative regions should be examined; natural regions, also called natural geographic regions, are principally thought to be a very appropriate basis for administrative regionalisation and for regional planning, too. Finally, regional agendas as paraphrase for local agendas, obligated from the Earth Summit, represent, with regard to homogeneity of natural regions, a very appropriate area for environmental planning.

Another presumption should also be mentioned. Due to geographical vicinity and evidently shorter distances (in comparison with distances inside CEECs countries, as well as between CEECs and South European countries), the westernmost CEECs first established traffic connections in the direction of west European countries. The highway between Budapest and Vienna has been constructed and the layout for the Prague-Dresden highway has already been determined. On the opposite side of the region, CEE distances are evidently longer. Besides, the unstable situation in some parts of the former Yugoslavia shall postpone the accomplishment of nine planned corridors (EC DG XII, 94), i.e. the planning of additional necessary transport corridors, primarily along the Sava river, across Sarajevo to the Adriatic coast and along the eastern side of the Adriatic sea. Also, central and eastern Europe is becoming much more environmentally oriented, and the legislation on environment shall become more and more binding. This implies that environmental conditions for the new constructions of railways and highways in the area in order to connect the CEE countries with the Mediterranean ones, shall be considerably more strict due to the time delay. In transitional period the importance of airports and ports is growing. For example, some airports (e.g. Ljubljana Airport) and North Adriatic ports (Trieste, Koper and Rijeka), have already been substituting or looking forward to substitute the non-functional traffic movements along the Sava river corridor towards Athens and Istanbul.

2. STARTING POINTS

2.1. Area

In terms of Europe 2000+, the following countries are part of central and eastern Europe, (CEE countries): Albania, Bulgaria, Bosnia-Herzegovina, Czech Republic, Croatia, Hungary, “the former Yugoslav Republic of Macedonia”, Romania, Poland, Slovakia, Slovenia, Serbia and Montenegro. Among southern European countries, Greece, Italy and Turkey have been discussed.

From the geographical point of view, reference is made to traffic flows between the North European plain across the Pannonian plain right to the Balkan Peninsula, across and/or past the Alps, Krkonoše Mts, Tatra Mts, the Carpathians, the South Carpathians, the Dinaric Alps and Rhodope Mts. The largest mountain ranges and highlands are mentioned not only because they

represent a relief impediment, but also because they are geographical entities with unique characteristics and natural potentials which have already been protected (e.g. Alpine Convention) or are to be protected due to their environmental qualities. A good example would be the planning of the Prague-Dresden highway, where the alternative route, proposed by the Czech NGO Deti Zeme, according to which the highway would avoid sensitive mountainous regions of Cesko Rudogorie and Sredogorie near the Czecho-German border, has been rejected by official planners (Richardson, 95).

From the transcontinental point of view, evaluation is made of the importance of connections between the Baltic Sea in the North and the Adriatic Sea, the Ionic Sea, the Aegean Sea and the Black Sea in the south (to mention larger seas only), i.e. between the Danube basin and the Oder and Vistula basins (to mention the most important rivers in the region referred to). As natural regions, river basins set environmental restrictions. As an example, we would like to mention the environmentally sensitive area of Drava-Mura Project performed by EURONATUR, which is being crossed by transport corridor No. 5 of the Crete Declaration.

2.2. Centre-periphery

Geographically speaking, central European countries are sited right in the middle of Europe, whereas the economical and financial centre of Europe is nowadays centralised in Western Europe. The centre is known under many popular names with territorial definitions, such as "blue banana", i.e. "*Tissus de villes*" (R. Brunet, 89), and "golden triangles" on different levels. The largest triangle between London, the Ruhr-central Rhine region and the area between Ile de France and the city of Randstat in the Netherlands (Foucher, 93), and also the north-Italian golden triangle between the cities of Turin, Milan and Genoa.

The basic supposition remains that periphery regions and countries in central, eastern and southern Europe need to be connected by transport corridors not only to the core region in the EU, or vice-versa, but also among themselves. Inside the transport network it is important to "create nodes or interchange points in networks or other means of the regional economy interacting with transit traffic", (Vickerman, 1995, p. 26). Moreover, according to the problem of circular causation, those interchange points should be territorially and functionally very close to urban centres.

In the sixties, the concept of connecting periphery regions started at state level (Friedman, 65), while in the eighties and nineties interests concentrated on the problems of peripheral regions at inter-state and even at pan-European level. A very good example is the reform of EU regional policy in the year 1988, when the EU Council of Ministers had to spend almost two thirds of the Structural Funds budget for underdeveloped regions, to regions of declining industry and to rural regions inside the EU. However, a concept of European polycentrism being in an inter-dependent relationship with the concept of European macroregions is needed. The very centres, or rather, the network of the urban centres represent a basis for transport planning and for all planning. To be more specific, pan-European transport network should be developed and based upon analysed and evaluated network of the existing and planned important urban centres. This refers to growth centres (by Hansen and Berry) and at the same time, but from the economical point of view, to growth poles (by Perroux) meaning that in urban growth centres which, in accordance with inter-modal concept, bear urban and transport importance as traffic nodes

and/or interchange points, it is necessary to prevent negative economical effects of transit. Finally, it is by no means essential to define hierarchical scale of urban centres and to determine the distance between individual urban centres in order to prevent spontaneous growth of more or less linear cities along trans-European traffic corridors, and in particularly on highway junctions.

The conclusion relating to the context of this paper is that the network of the urban centres in the peripheral countries or CEE countries are not analysed in the same manner as in the Europe of the 15 and other well developed European countries (Map 1).

2.3. National planning versus international planning

Looking back into the history, a comparison with the sixties and a long-lasting transitional period from one planning theory and practice to another reveals to be very instructive. In the sixties, regional as well as physical planning on the national level managed to make a considerable leap in quality to the so-called systems planning which by elaboration of spatial plans of the new generation contributed to the creation of conditions needed for the process of the periphery elimination and integration. In reference to this, three periods can be distinguished in the course of development of planning theory and planning practice (Hall, 92): *1)* the period of master plans (up to ca. 1965), *2)* the period of systems planning (from ca. 1960 on) and *3)* the period of constant participation and conflicts in planning (from late 1960s and from 1970s).

Paraphrasing J. Friedmann, who on the basis of the centre-periphery model formed the territorial doctrine in the mid 1960s, and replacing the word national with supranational, the starting point gets as follows:

- gradual elimination of periphery (i.e. periphery within supranational scale), along with the substitution into independent and interdependent system of urban regions, defined as core regions by Friedmann; and

- progressive integration of space with expansion (on the supranational level) of the system of successful merchandise/goods market and factors market: labour, land, capital and enterprise; (Friedmann, 66).

In a similar way, B. Berry and his doctrine of growth centres can be paraphrased: "... the development role of "growth centres" contains simultaneous filtration of innovations being generated by urban hierarchy and spreading of benefits, evolving from the results of growth. The process is running on two levels:

- supranational level: from national centre to inner regions; and

- inside regions, from their metropolitan centres outward to inter-metropolitan periphery (Berry, 73).

It is assumed that on the European level nowadays it shall become necessary to accomplish the same quality leap to reach the systems planning in order to gradually eliminate periphery and achieve its integration. Therefore, the elimination of periphery and integration of space bear

analogue leitmotifs in regional policy of the European Union. Assistance programmes to regions within the EU Structural Funds are really very important. Likewise EU and OECD international assistance to CEE countries, through PHARE, INTERREG and OUVERTURE programmes, have already been developed (EC, 94).

According to strategic plans such as the Crete Declaration and concerning the appropriate area for planning and for detailed allocation of transport corridors, it can be concluded that planning assistance is needed for the CEE countries, crossed by nine intermodal transport corridors of the Crete Declaration.

2.4. Beginning of territorial planning co-ordination on the European level

Once the introduction of physical planning concepts became important in the 1990s, the three most important elements should be mentioned: Europe 2000+ (EC, 94), Towards a new European space (Akademie für Raumforschung und Landesplanung, Pre-Print for CEMAT, Oslo 1994) and Principles for a European spatial development policy (Bundesministerium für Raumordnung, Bauwesen und Städtebau, 95). The most important activity leading to the pan-European level, however, is the preparation of the European spatial development perspective (ESDP), for which Principles for European spatial development policy were elaborated as one of expert materials. Problems concerning the use of expert materials mentioned above are as follows:

1) lack of data and only partial knowledge of spatial problems in the CEE countries;

2) the Europe of the 15 and other economically well developed European countries, are being studied more thoroughly, which implicitly suggests partial approach;

3) low degree of regional structurization in the CEE countries showing an inappropriate distribution of administrative and planning competence between state and local communities (Foucher 93, Van Zon 94). Administrative competencies should be changed in a period of further administrative reform, which should also introduce regional planning. Finally, low degree of regional structurization is represented also by the fact that there are, in comparison with the EU, less transnational interregional associations in the CEE countries.

It can be concluded that all four documents mentioned above represent a starting point in the current consideration about policy, strategy and vision of physical planning on the level of the entire continent. The title itself – European spatial development perspective – where the term "perspective" and not "policy" has been used, is characteristic, if the classical sequence of actions in the planning process is to be used – *1)* policy, *2)* plan, *3)* programme and *4)* project (Alexander, Faludi, 89) – on the continental level as well. It is not even a policy, but it has to be said that the sintagmas "European spatial development policy" and especially "European spatial plan" are nonrealistic. To speak seriously about regional and physical planning means, first of all, to define an appropriate area for planning. One possible solution is a proposal for three levels: European macroregions, European development regions and planning regions (Treuner 95). This approach is based on the finding that any integration of Europe is founded on the concept of "regionalised approach which takes into account the existing diversity and

disparities", (ARL 95). As for the concept of regional development, several models can be identified, whereas Szalo, Illeries and Kuklinski distinguish between centralistic and decentralistic models. It is presumed that decentralistic model, i.e. the mosaic model, and different levels of European development/planning regions derived from the model is by all means more appropriate for balanced spatial development of macroregions and states on the European continent.

Clear representation of the traffic flow situation in central, eastern and southern parts of Europe made it possible to get to the essential starting point of the report, i.e. the question of regional development of the European continent in future. With this regard, it is believed that the two basic points are represented by the following two approaches: *1)* the concept of regionalised approach regarding the European integration, and *2)* the mosaic model representing a basis for regional development of Europe.

3. TRANSPORT NETWORK

Trans-European networks represent the continent-wide framework, which includes not only transport, but telecommunications and energy transfer as well. In what follows only transport networks, referring to transport of people and goods, shall be discussed.

In the framework of sustainable mobility and transport planning, numerous guidelines and conditions have been set. Common denominators of documents and materials such as the Dobris Assessment (EEA, 95), the Green Paper on the Impact of Transport on the Environment (CEC, 92), are the following:

- provision and improvement of public transport facilities;
- extension of rail, waterway and combined transport (modal split);
- limitation of transport demand, especially road and air;
- improvement of concepts of sustainable mobility into modal split by economic instruments, appropriate transport infrastructure and land use planning;
- connection of different modes of transport, both freight and passengers, in the interchange points.

The interchange points or transport nodes are of crucial importance for the concept of intermodal transport and because of the connection with urban centres, for this article, too. They should include not only motorways and high-speed railways, but also, when it is locally possible and/or appropriate, airports and inland and sea ports.

As regards areas taken into consideration and the problems of insufficient inward and outward infrastructural network, it can be said that further development of four main transport flows determined by the EEC in 1989 (Council of Europe, 93, pp. 112, 113) is needed. In reference to this, two contributions from 1994 are undoubtedly of the utmost importance.

3.1. The Second Pan-European Transport Conference and the Vienna Paper

The Second Pan-European Transport Conference which was held in Crete in 1994 adopted the Progress Report Towards Indicative Guidelines for the Further Development of Pan-European Transport Infrastructure (European Commission - DG XII, 94). The "Crete Declaration" represents a strategic transport plan. Within the context of this contribution, nine corridors of the Crete Declaration have been completed with the EU plan for a high-speed train between Berlin and Milan, and with two new highways in Greece (Map 2).

As stressed in the Second Pan-European Transport Conference, the aim of the so-called Crete Declaration is to make a basis for further work on: "developing a balanced Pan-European multimodal transport network approach. The latest available transport data, reliable traffic forecast and changing economic, financial and political factors should be taken into account". (EC 94, p. 3). In the following sentences, the role of the transportation needs at local, regional, national and Pan-European levels is emphasized.

"The Vienna Paper" (3rd edition, compiled for the Brijuni Conference, Brijuni, 1994), was prepared with the co-operation of Austria, Croatia, Slovenia, the Czech Republic, Hungary and Slovakia. The paper represents a program of traffic infrastructure construction for the following countries: Austria, Croatia, Slovenia, the Czech Republic, Hungary, Slovakia and Slovenia. In total 102 projects, including rail, road and inland waterway transport, have been submitted. The programme is precise in lengths, costs and time schedules. Anyway, all of the 102 projects are in reality and on the level of physical plans uncoordinated between Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia.

Considering the fact that the Crete Declaration is a strategic plan and the Vienna Paper a programme document, both introducing new transport corridors, and that spatial documents of the countries and regions concerning the area along the nine corridors of the Crete Declaration haven not been adjusted between all countries, the lack of transport planning and in particular physical planning is evident. At this point it is interesting to mention the well-known example from the USA, where it was the planning and designing of great infrastructure that introduced one of the first examples of regional planning in the country. Construction of hydropower plant system on the Tennessee River brought about the foundation of the Tennessee Valley Authority (TVA). The TVA was a federal government agency and one of the most important achievements of the Roosevelt administration period and the New Deal. Its function was construction of hydropower plants, protection against floods, appropriate land use on marginal areas, reforestation, inland navigation and social and economical welfare of inhabitants (Friedman, 79).

Large infrastructure projects in the area, for example the mentioned intermodal transport corridors, represent the need as well as the possibility for regional and physical planning. Co-ordination and adjustment between transport, economical, financial and other sectors and between local, regional, national and continent levels imply the very need for regional and physical planning. This means that nine planning regions along each of the corridors should represent suitable solution for CEE countries and for the European Union and the Council of Europe. That implies the very need for a creation of planning authorities, i.e.

– Intermodal transport corridor planning authority No. 1 to 9 of the Crete Declaration;

– Vienna Paper planning authority.

However, one has to be aware that institutionalisation of regional planning on appropriate areas in the CEE countries, involving all nine corridors of the Crete Declaration, is probably a long-term process.

4. ENVIRONMENTAL PROTECTION

Regarding the environmental protection and transport planning, it is necessary to stress the following approaches: obligatory use of SEA at TEN proposals as of 1998, considering existing protection areas and current environmental projects, as well as considering natural regions in course of administrative regionalisation of the CEE countries.

4.1. Strategic environmental assessment

The European Parliament adopted the amendment on obligatory implementation of strategic environmental assessment from July 1998 (T&E Bulletin, 95, Richardson, 95), implying that strategical assessment of environmental impacts has to be implemented before the project level, i.e. on the level of policies, plans or programmes. The debate on SEA on the European level is generally the most recent one (Richardson, ibid.), for so far SEA has been implemented in more environmentally oriented countries on regional and communal levels. In Sweden, it represented an early attempt to enforce careful management of environmental values and goods in course of comprehensive planning (Asplund & Hilding-Rydevik, 92). When combining two time schedules, the obligatory implementation of a SEA by the year 1998 and part 2 of the Second Pan-European Transport Conference, which planned the development of layer 2 priority corridors within the approach of the year 2010, the use of SEA is than obligatory for the till 1998 unfinished motorways, main railways and interchange points; being realistic this practically means all the new traffic links of the nine corridors defined in the Crete Declaration.

4.2. Main environmental characteristics of CEE countries

Within the framework of protected areas and environmental projects, it is absolutely necessary to take into consideration mountain chains and highlands. The entire Alpine mountain system has already been protected by the regulations of the Alpine Convention, whereas similar projects have been in progress or shall start for the Krkonoše Mts, Tatra Mts, the Carpathians, the Southern Carpathians, the Dinaric Alps, and Rhodope Mts. In protecting waterflows and river basins, the Drava-Mura project and the Danube project should be mentioned. The so-called proposal for extensive protected area – "Green Lungs of Europe" – and several smaller areas, such as the twenty-four ecological bricks as transfrontier parks (Dobris Assessment). With the exception of one of them (Finnish-Russian woodland area), all of them are part of the discussion. With reference to forests, it should be emphasized that lower parts of the Alps, Tatras, Carpathian Mts, Dinaric Alps and Rhodope Mts are overgrown by largest forests in central and eastern European countries.

The role of natural regions in the process of regionalisation is comprehended differently by

individual experts. General opinion prevails that natural, also called physical-geographical regions are basically very appropriate for administrative regionalisation (Dickinson, 60 Aberly, 92) and for regional planning. At the same time, natural regions represent homogeneous territorial entities according to climate-pedologic and vegetation criteria. Within such areas, it is presumed that there are greater possibilities to maintain, or to sustain natural cycles, rhythms and circulation, which would, according to one of several definitions, correspond to the concept of sustainable development. Potential considerations of natural regions in course of administrative regionalisation are mentioned due to the fact the administrative reform is being carried out, i.e. shall be implemented in the CEE countries as a consequence of inadequate administrative divisions in the period of central planned economy (Foucher, 93).

Finally, it may also be mentioned that one of the obligations from the Rio Conference on Development and Environment concerns work on local agendas and it is presumed that administrative and planning regions are, beside municipalities, an appropriate area as for local agendas. Therefore, the idea of regional agendas does not represent only terminological change. Regions in themselves, because of their homogeneity, being natural and/or anthropological, represent more appropriate areas for sufficient environmentally oriented planning.

5. NETWORK OF SETTLEMENTS AND PLANNING REGIONS

5.1. Network of settlements

Hierarchical network of settlements should be connected to regions that form the basis for the planning of traffic routes. Regarding minor role and consequent stagnation in development of a middle-sized cities and regions in all CEE countries in the period of central planning economy (Foucher 93), one supposes a very high development potential of the same cities, located along intermodal transport corridors. Those cities should be treated as *growth poles* by Perroux, as *central places* by Christaller, and finally as *growth centers* by Hansen and Berry.

Of course, it is considered that such central settlements, growth poles and growth centres as centres of nodal region are not characterized only by economical activity; this connection should be also social, environmental and cultural.

In the very context of this paper the term “growth centre” also includes central European growth centre which is represented by the system of urban centers in the Alps-Adria Region (Horvath, 93). However, the problem is that urban centers in all CEE countries are not analysed in the same manner like those in the EU (Map 1). So one does not dispose of an appropriate urban network for transport planning and regional and physical planning at all.

5.2. Planning regions

Urban centres, i.e. networks of urban centers, composed by development axes are referred to as urban centres of planning regions on different levels. In Europe several individual regionalisations are known, based on the classification of analytical regions. For instance, eight macroregions within the European Union mainly form integral regions for implementing regional policy on the largest territorial level within the European Union. R. Capellin has determined thirteen macroregions, M. Foucher, on the basis of geo-economical typology has

determined nine regions. In the publication “Europe 2000+”, there are fourteen determined regions of transnational co-operation in Europe. Finally, N. Veggeland has determined transborder and transnational regionalisation merely in an east-west context; he defined four macroregions.

The characteristics are transboundary and transnational macroregions, overlapping of individual macroregions and a range from 9 to 14 macroregions. Another characteristic is that euroregionalists are working harder and are sharing opinions alike in the northern, western and southern part of the continent (Map 3). One can notice regionalised areas of economically more developed and financially wealthier part of the old continent with almost no difficulties at all.

In defining central Europe, especially its southern borders, one comes across different opinions. Foucher expands it even to Milan, while in the publication Europe 2000+ it comprises Vienna, Bratislava, Budapest, but it does not include Ljubljana. According to Cappelin, central Europe borders on Warsaw in the north, while in the south it includes Vienna, Bratislava and Budapest. However, Cappelin has precisely determined macroregions between the Adriatic and the Black Sea. Veggeland defined it as a new Euroregion terminating it in Vienna, Bratislava and, conditionally in Budapest.

However, in a sense of macroregionalisation central Europe, eastern Europe and the Balkan Peninsula are insufficiently structured. The reasons for that are both external and internal. External reasons include, from the western Europe point of view, lack of data and ignorance of the problems of physical environment, and last, but not least, the formation of new states at the beginning of the nineties. Among internal reasons there is the fact that the level of regional structurization is so low, due to the central planning economic system, that denied the connective role of regions and initiative in general from top to the bottom. Another factor, regarding regions in general in former central planning countries is also suppression of development, especially the meaning and power of central settlements inside regions, as well as of middle-sized cities (Foucher 93). This is referring to macroregions that are connecting individual states or parts of individual states, as well as to regions inside individual states.

Administrative structures in countries in transition represent the next problem. In the beginning of the 1990s the former central planning countries thoroughly reorganised their administrative structures. In the area of eastern Germany, the united Germany has reactivated 5 countries which shall organise independently the lowest units of local self-management. Croatia has set 21+1 parishes, Serbia is looking forward to 7 macroregions, while both developed a system of new, smaller communes. For the purpose of a regional development policy two variants of regionalisation, outcomed to variants 6 or 12 regions, are developed in Poland (Central Office of Planning 95), while in Slovenia the concept of regionalisation from 7 or 8 prevails. Generally speaking, the absence of regional policy and regions as administrative units of local self-management is characteristic for numerous countries in transition.

It can be concluded that macroregionalisation for the needs of regional/physical planning is necessary to be implemented, and that regional co-operation in the European Union countries serves as a good example of the manner in which macroregions are to be outlined. Another conclusion is relating to lower regional levels; a possible solution is a proposal for three levels: European macroregions, European development regions and planning regions (ERL 95). And

finally, the process of an ongoing or an expected administrative reform in the CEE countries should, beside administrative regions, introduce planning regions.

6. CONCLUSIONS

The ideas and strategies on trans-European transport corridors are not new. Historically they are based upon the ancient amber, roman and medieval roads. Connections between urban development and transportation systems is also evident already from very extreme example of the linear city designed by Arturio Soria y Mata in 1882. He intended the area along the main railway from Cadiz (Spain) to St. Petersburg (Russia) to be continuously covered with residential settlements.

Nowadays, according to the concept of sustainable mobility, the intermodal transport introducing different modes of transport, as well as ideas and plans for linear cities are out of date. Within the concept of connecting interchange points with urban centres or, synonymously, central settlements, growth centres, growth poles, or whatever they may be called, form a fundamental framework for all planning. Compulsory strategic environmental assessment, social impact assessment and possible other sectoral assessments and impacts are going towards a need for the all planning. However, on the basis of our estimations the proposed conclusions are as follows:

a) Regional and physical planning is the very necessary basis for the previous sectoral planning of the intermodal transport corridors. In any case institutionalising state decentralised regional planning at the intermediate level in all CEECs, involving all nine corridors defined in the Crete Declaration, is rather a long-term process. The possible solution lies in international and new *ad hoc* planning regions. Anyway, determinating nine planning regions along each of the nine intermodal transport corridors of the Crete Declaration and simultaneously establishing nine intermodal transport corridor planning authorities of the Crete Declaration – CITCPA – represents a basis for successful analysis of development consequences and environmental impacts of the nine corridors of the Crete Declaration.

b) Environmental issues should be covered by compulsory use of SEA of TEN proposals from 1998 on, considering existing protection areas and current environmental projects. It is recommended to examine the role of natural regions as planning regions and/or even administrative regions in the course of administrative regionalisation of the CEE countries. Finally, regional agendas should be done for proposed planning regions.

c) The problem of circular causation is more complex. It is supposed that it should be solved with the allocation of interchange points of intermodal transport corridors topographically and functionally close enough to urban centres in order to be mutually beneficial; that implies also the importance of town planning. In those cases, urban centres along development axes should be simultaneously growth centres and/or growth poles.

d) Ongoing and expected administrative reform in the CEECs with the determination of administrative centres which should, in principle, be synonymous with central places,

growth centres and/or growth poles, is an important parallel process for planning the intermodal transport corridors.

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ABREVIATIONS

CTPCommon Transport Policy
EIAEnvironmental Impact Assessment
SEAStrategic Environmental Assessment
SIASocial Impact Assessment
TENTrans European Networks
TEMTrans European Motorways
TERTrans European Railways
TERNTrans European Road Network

THEME 4

THE FUTURE OF RURAL AREAS AND AGRICULTURAL ACTIVITIES IN MEDITERRANEAN COUNTRIES

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THE FUTURE OF RURAL AREAS AND AGRICULTURAL ACTIVITIES IN MEDITERRANEAN COUNTRIES

1. Importance of agriculture early in the coming century

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The Mediterranean basin will soon be the second most populated area in the world after Asia. About 500 million men and women live on and around the shores of the Mediterranean. This is a huge market, but also a potential powder-keg if problems such as immigration and armed conflict are not dealt with. Farmers must work out ways of co-operating and do away with conflictual competition, for instance by bringing distinctive regional features into play through emphasis on quality. It will be a lengthy, uphill task, but it must be tackled first and foremost by farmers. It can be done.

In previous years, in Antalya, Tirana and Jerusalem – when Arab leaders were present for the first time in history at the Israeli Knesset – and most recently in Lisbon, as part of the run-up to the Intergovernmental Conference in Barcelona, the Mediterranean Committee and the Council of Europe have already achieved a great deal.

They are proud to point out that three years ago they were the first to call, in a joint resolution, for an intergovernmental Mediterranean conference.

So the European Union's Barcelona Conference, the discussions held and the replies given are clear evidence of a strategic forecasting ability, a capacity for political and professional policy-making and a close permanent contact with the population groups and producers' groups represented.

The conference is certainly not an end, but should be viewed as a starting point. In particular, the principle of partnership in the Mediterranean basin must be fully and tirelessly upheld. The Mediterranean Committee and the Council of Europe are now pursuing their fruitful co-operation in tackling an issue which is increasingly attracting the attention of supranational institutions, governments and representatives of social and economic groups.

All the member states would benefit from an improvement in the stability of agri-foodstuffs markets and an increase in the region's prosperity because this would boost opportunities for agricultural exchanges and investment and would strengthen the foundations of co-operation in the primary sector. At a time of globalisation and growing emphasis on regional ties in North America and Asia, the European Union cannot afford to disregard the benefits that would accrue to it from the integration of its Mediterranean neighbours in compliance with rules accepted by all. Integration must of course take account of the needs of the Community's poorest areas, many of which are in the Mediterranean region.

I. AGRICULTURE: A KEY SECTOR

Agriculture is thus a key sector for the future welfare of the Mediterranean basin. It performs a crucial role in many areas such as water resources, population pressure, differences between town and country, migration, food security and peace.

To resolve all these problems, the agricultural organisations of the Mediterranean basin are keen to see much closer agricultural co-operation in the Mediterranean and strongly urge that a framework for regular dialogue be set up to achieve closer agricultural co-operation in the wake of the Euro-Mediterranean Interministerial Conference. This framework would bring together all the social and political forces of the countries concerned to make a specific assessment of the state of Mediterranean agriculture and frame a detailed strategy for its development. It would include governments, regional institutions (including technical, research and advisory agencies), farmers' professional organisations and the IFAP's Mediterranean Committee.

There can be no prospect of agricultural and rural development unless farmers are fully involved, through their representative organisations, in the framing and implementation of agricultural, rural and agri-foodstuffs policies.

Four issues need to be addressed by governments and in the discussions: better balance, quality, diversification and proper spatial planning.

The economic potential of Mediterranean agriculture can be increased by improving market organisation in a balanced manner, increasing the value of production, integrating the agricultural and agri-foodstuffs sectors more fully and seeking fuller complementarity between productive capacity and marketing networks.

Special emphasis must be placed on the preservation of quality, on the specific character of each product and relevant health standards, and on diversification and specialisation in order to avoid competition between Mediterranean countries. Co-operation and partnership must be encouraged between farmers' organisations, governments and other agencies, and with regional organisations, research and advisory agencies and organisations representing civil society, trade and industry, as a means of co-ordinating agricultural exchanges in the Mediterranean basin more effectively.

In particular, there is clearly a need for change in current priorities in agricultural research. Agriculture should not simply be the target of scientific, economic and technological choices made in research establishments; farmers should ensure that research meets their productive and quantitative requirements more fully so as to protect their incomes more effectively.

To make full use of research findings, farmers in the Mediterranean basin must be provided with appropriate training as soon as possible. This can be done through close co-operation between agricultural organisations and institutions concerned with vocational training, technical assistance and advisory work, so as to ensure that the services provided genuinely meet farmers' needs.

II. A NEW EURO-MEDITERRANEAN AGRICULTURAL POLICY

All this may be summed up in six key components of a new Mediterranean agricultural policy which should focus on:

– structural support for redressing the economic balance;

– promotion of private investment;

– increase in Community and bilateral funding;

– continuing or, if possible, improved access to the Community market (with the requisite compensation);

– closer reciprocal involvement of the Fifteen with third countries as part of the single market;

– stepping up of economic and political dialogue.

These aims can be pursued under a more ambitious policy of joint development which rejects the idea of merely setting up a free-trade zone by the year 2000. Improved access for Mediterranean products can be considered only if steps are taken at the same time to restructure the economy and production of the Community's Mediterranean regions as part of the policy of improving social and economic cohesion.

The aim is therefore to develop a modern agricultural and industrial sector in the Mediterranean, involving the highest possible degree of complementarity and relying on the agricultural and agro-industrial vocation of the entire Mediterranean region. This can only be done on the basis of new, close ties between the European Union and third Mediterranean countries.

The purpose of this essential development should be to:

– co-ordinate production development programmes more effectively to suit the development requirements of the Community Mediterranean regions and third countries and the outlets available for their products on third markets;

– for the Mediterranean products most vulnerable to internal competition, pursue the task of rationalisation, conversion and redeployment of productive capacity, seeking complementarity wherever possible, with the accent on differentiating production timetables, specialisation, distinctive products as part of a policy of high quality, promoting consumption inside and outside the European Union (abolition of excise duties; policies; commercial instruments), pursuing research and developing processing industries;

– promote the exploitation of natural resources and the development of new products

(non-food agricultural products and biotechnology-related products) through integrated research and development activities and technology transfer networks;

– make the Mediterranean countries more self-sufficient in food by supporting massive action programmes addressing agricultural systems with a view to setting up suitable infrastructure facilities through technical assistance;

– see to it that agricultural and agro-industrial production work complies with the International Labour Office conventions.

A scheme to reorganise production along these lines will enable the current protectionist measures against Mediterranean countries' agricultural exports to be gradually reduced; it also demands, even now, a radical reform of the CAP in terms of Mediterranean products.

This reform should:

a. redefine support measures and facilities in the light of production and development goals on a regional basis, with reference to product quality above all else;

b. reorganise current price support measures, distinguishing between the aims of income support and those of restructuring and conversion grants;

c. take steps to support Mediterranean products, for example by banning wine sugaring, promoting olive oil consumption and laying down more selective quality parameters for fresh and processed fruit and vegetables.

Those are the programmes and objectives that will enable concerted agricultural and rural development programmes to be carried out in the Mediterranean region.

The aims of this policy must include *ad hoc* support to cope with severe shortages and malnutrition.

III. THE WATER PROBLEM

Special attention has been paid to water resources. Governments in Europe as well as in drought-ridden countries are increasingly aware of this issue, which will assume ever greater importance.

The Council of Europe has adopted a twelve-paragraph European Water Charter providing for the introduction of a common legal instrument to regulate water supplies in Europe. The Mediterranean Committee fully endorses those principles. It should be borne in mind that almost 36% of world agricultural production originates in the irrigated 16% of agricultural land.

Water is the most valuable and decisive factor in agricultural production in the Mediterranean region, given that imported agricultural products satisfy, on average, 50% of the Mediterranean countries' needs. It is not only Egypt that depends so much on irrigation for its agriculture. Countries such as Albania, Cyprus, Israel and Lebanon irrigate more than 25% of their

farmland. The proportion ranges from 10% to 20% in countries on the northern shore of the Mediterranean.

But irrigation is the activity that uses the largest proportion of water (72% of the total amount, reaching 84% in Egypt). So agriculture is the top-ranking sector for water consumption, and in view of its growing share of responsibility for water pollution, irrigation will be subjected to strong pressure in the coming years. As an economic sector, agriculture is comparatively weak when it comes to negotiating water resources. Solutions to the water shortage problem need to address various aspects of management, technology, organisation, taxation and legal status. On this last point, the Mediterranean Committee considers that each country should have a single water management authority.

This authority should:

– establish general distribution criteria for the various sectors of economic activity, ranking irrigation highest after human consumption;

– give a single agency full responsibility for all operations relating to irrigation, tapping, conveyance, supply or treatment schemes;

– frame a balanced and consistent policy on the cost of running water for each country.

IV. AGRICULTURE'S KEY ROLE IN PROTECTING THE ENVIRONMENT

Agriculture and forestry maintain the structural and socio-economic balance and ensure employment in rural areas. They also maintain climatic balance, natural ecosystems and the landscape in an increasingly urbanised world.

Agriculture will remain a vital sector in the Mediterranean region. Like all other sectors of the economy, it needs clear prospects so that its operators can plan their activities in the light of well-defined medium- and long-term objectives.

The concept of sustainability must be viewed in global terms. The environment and environmental protection are issues that transcend national borders. They must be taken into account in worldwide exchanges of agricultural inputs and products.

The social and environmental issues must be fully recognised at international level, notably in future negotiations in the World Trade Organisation.

These must afford an opportunity to establish fair rules of competition so as to avoid destabilising environment-friendly production systems and ensure sustainable development in all parts of the world.

Agriculture's food-producing function will necessarily continue to be associated - as it has always been in Europe – with a land use function and the task of caring for the landscape and countryside.

This second function is of growing importance to European society, although there is at present no economic recognition of the fact in the form of adequate remuneration.

If the second function is to be properly performed through the first, it must be consistently included in agricultural, regional and environmental policies. Europe's farmers are convinced that a sustainable development process is conditional on the economic base of agriculture and forestry being secured in all regions.

They therefore advocate the pursuit of a consistent agricultural policy that will allow them to conduct economically viable activities while maintaining the ecological balance of rural areas. A policy of this kind will be effective only in so far as it addresses environmental concerns in a manner compatible with the agricultural sector's economic prospects.

A consistent approach to sustainable development involves taking account of regional diversity in Europe. The general principles of sustainable development must therefore be adapted to the regions by appropriate regional, agricultural and rural policies in a resolutely forward-looking common political framework.

An approach based on sustainable development will have to include the introduction of an array of political instruments designed to:

– integrate the various related functions of agriculture;

– organise land use;

– protect farmland against pollution.

V. CONCLUSION

Europe's farmers assert that the use of modern, efficient agricultural techniques does not conflict with the goals of sustainable development, but rather serves to guarantee their income and consequently their presence on the land, protecting the countryside against depopulation and desertification as well as unbalanced development.

Modern agronomic technology will not only help to boost economic competitivity, but also be used increasingly to make agricultural production processes more environment-friendly, develop new outlets for food and non-food products and supply industry with renewable raw materials on a sustainable basis.

The concept of sustainable development will have to be more fully integrated into agricultural, agri-foodstuffs and agro-industrial research.

Bio-recycling and the potential of renewable natural resources will have to be more fully exploited. Because of their long-standing tradition of family-based farm production, their attachment to nature and the land, and the cultural and social values and traditions they represent, Europe's farmers are willing to engage in an ongoing dialogue with society as a whole in order to play a leading role in the overall process of sustainable development.

THE FUTURE OF RURAL AREAS AND AGRICULTURAL ACTIVITIES IN MEDITERRANEAN COUNTRIES

2. Traditional structure of coastal rural areas on the Mediterranean basin and prospects for the future

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INTRODUCTION

Rural areas in general are characterized by self sufficient, homogeneous, small sized settlements located in a dispersed pattern. Economic decline, chronic unemployment, low household incomes and poor housing conditions as well as social and environmental problems are widespread phenomena. The majority of the population is engaged in agricultural activities. Many rural areas experience insufficient levels of basic services, employment opportunities and recreational facilities.

Although rural coastal areas share many of the above mentioned characteristics, they also have such features that are peculiar to themselves. For instance, coastal rural areas are more urbanized (population and densities are higher) and have a more diversified activity structure (tourism, industry, secondary housing besides agriculture) compared to other coastal areas. Therefore the physical, social, economic and environmental problems of coastal rural areas are different from those in inland rural areas. These activities have both negative and positive impacts.

The settlements on the Mediterranean coast in Turkey have been confronted with several problems in the post 1980 period, such as the rapidly increasing rate of population growth, a changing economic structure in conformity with the development of the tourism sector and population increase, inefficiency as regards the protection of natural and historical assets. The secondary housing with a long history, changing infrastructure demands parallel to technological development, the construction of motorways all confer negative and positive impacts on the physical, social, economic and cultural life styles in urban settlements.

The organisation and lifestyles in urban and rural spaces have gradually changed. In rural areas, urban functions emerged besides agricultural production, a transformation to urban functions started to take place, and changes in social structure were experienced parallel to the development of the tourism sector which started to replace rural functions.

The coastal rural areas and their natural resources which are affected by a number of activities can be improved, developed and protected through sustainable planning as described in this study and reflected in the proposals.

1. CHARACTERISTICS AND PROBLEMS OF RURAL AREAS – TRADITIONAL STRUCTURE OF RURAL AREAS ON THE MEDITERRANEAN COAST

1.1. Rural areas

Although some variations may exist depending on the development levels of countries, rural areas in general are characterized by small sized settlements located in a dispersed pattern. Accessibility of rural settlements is usually low and in some cases it is even deteriorating. These settlements which are confronted with a continuous outflow of population are described by sociologists as self-contained and self-sufficient homogeneous settlements. Large family structures and human relations shaped by traditions and customs are important features of these areas. Economic decline, chronic unemployment, low household incomes are widespread phenomena and poor housing conditions as well as social and environmental problems prevail. The majority of the population is engaged in agricultural activities while the land ownership pattern is usually fragmented.

Several international conferences have noted that undue polarization of human activities and the increasing concentration of facilities in large conurbations are the major causes of rural depopulation aggravating the structural problems in these areas. Rural areas have a vital role to play in contemporary societies by performing a multiplicity of functions that are critical for social, economic as far as agriculture is concerned and cultural development. This role is performed not only at regional but national level.

Many rural areas experience insufficient levels of basic services, employment opportunities and recreational facilities. Social and technical infrastructure is inadequate and the relatively low income residents have to travel long distances to get to various amenities. In short, rural areas lack the acceptable living standards that are usually common in urban areas.

The concentration of economic activities in urban areas lead to economic decline and higher unemployment levels in rural areas. In short, the problems of rural areas can be generalized as follows:

- economic retardness;
- decreasing employment opportunities in agriculture due to mechanization in the sector;
- lack of employment opportunities particularly for young people and women;
- outmigration of younger age groups, thus leaving back an old-age society;
- relatively low household incomes;
- declining public and private services;
- environmental problems;

– heavy unemployment;

– the danger of losing distinct cultural attributes such as language, customs and identity;

– a large proportion of residents employed in agriculture and forestry.

1.2. Coastal rural areas

The above mentioned features may display variations not only from country to country but also between inland and coastal rural areas in a particular country.

Throughout the history, settlements have generally located on the coast for the ease of trade and defense. The marine based activities of the pre World War-II period have been replaced by industrial developments in some regions. Increasing levels of welfare giving rise to demands for more profitable use of individuals' free time led to an increase in tourism and recreational activities as well as to the development of second home phenomenon on the coasts. If one attempts to list the main features of coastal rural areas, the following points seem to be the most important ones:

– they receive relatively higher rate of in-migration and have higher population densities compared to other rural areas;

– they are relatively more urbanized;

– in general, owing to their geographical characteristics, they are the locations of specific crop production (such as lemon cultivation); with a very high productivity level;

– they are the places where touristic, recreational and second home developments take place at a high pace and thus a severe loss in agricultural land is experienced;

– they are the locations where environmental problems are more severely felt;

– they are the areas where maritime and port activities and in particular fishery sector have developed;

– they have very rich flora and fauna and include impressive biogenetic zones. These areas include:

. estuaries and deltas;
. wetlands;
. beaches and sand dunes;
. marine ecosystems;
. coastal forests;
. rocky shores;
. heathlands;
. artificial lakes and canals (for energy production or supply of drinking water);

. protected Areas: A wide variety of biotopes and species.

1.3. Rural areas on the Mediterranean coast

In addition to the characteristics outlined above, rural areas on the Mediterranean coast endowed with a wealth of diverse natural beauties has been the host of a variety of different cultures. In consequence these areas now lead a rural lifestyle interwoven with historical and archaeological heritage. Based on the levantine culture, trade and fishery sectors have developed.
Until the end of the Second World War, rural areas on the Mediterranean coast have maintained a static socio-economic structure based on agricultural production and fishery. After this period, development of industrial and post activities have started to gain pace. Between 1970-1980 new industrial activities proliferated; industrial diversification was evident
in harbour areas, warehousing, commercial activities and light industry developed. During this period, tourism and secondary housing developments have also increased. 1980s is a period of economic crisis. In order to maintain economic development, countries included different activities in their regional programmes and undertook research to exploit the potential of the coasts. Aquatic biosphere, mineral resources, energy resources were explored and methods were sought to use them for food industry, chemical industry and bioenergy production. It was also accepted that a leading industry would be effective in the social, economic and cultural development of the region.

The most intense pressure is on the coastal rural areas which are adjacent to urban areas experiencing a rapid development process and those that are rich in historical and natural assets and therefore attractive for services such as recreation and tourism. The rapid development process constitutes a threat to coastal rural areas particularly through tourism developments. The coastal rural areas which are under the pressure of tourism, industry, recreation and secondary housing have various problems. Their economic viability depends on the diversification of activities. Diversification of activities in rural areas which constitutes the main theme of this meeting, should be dealt within the framework of “sustainable development”. In this context rural development planning envisages the maintenance and promotion of rural activities while facilitating urban development and ensuring a balanced use of natural resources between rural and urban areas.

Developments in transportation facilities and technological advancement have contributed to the availability of more free time for leisure and recreational purposes. The demand for tourism and recreational activities increased, and the developments in communication facilities promoted various new activities in coastal rural areas.

Although tourism developments in coastal areas may have harmful effects on the natural resources in rural areas, they have positive impacts such as promoting developments in other sectors, encouraging transformation in agricultural activities, creating new employment opportunities for the rural population, promoting infrastructure investments in urban-rural areas, even supporting the restoration and maintenance of natural sites and historical values.

It is important that while there is a need for the alleviation of problems in rural coastal areas, there is also a need to enhance regional development. In this framework, the major issue is the

protection of nature to the maximum level while improving economic, social and physical environment in urban and rural areas. The issues and proposals in relation to sustainable planning will be presented in Section 4 of this paper.

An important issue that should be underlined is that even in countries with a high rate of migration to urban areas, the gap between urban and rural areas is decreasing owing to the opportunities offered in rural areas. In some developed countries, rural life is even considered more attractive. The environmental amenities offered in rural areas in the vicinity of metropolitan areas attract many people. Employment opportunities, social relations and amenities may carry different importance for each individual. The daily commuting distances may not be a cause for migrating to the city.

2. IMPACTS OF DIVERSIFICATION OF ACTIVITIES ON COASTAL RURAL AREAS

Physical and natural potentials and characteristics have caused mankind to settle on the coastline densely. As a result of coastal concentrations, high population densities and human activities, the inland areas as well as water, river and lake shores have gradually lost their natural characteristics. The natural equilibrium was impaired as result of construction, drainage, filling and ditching activities.

Following the Second World War, rural areas have experienced a degradation of their ecosystems due to the industrial development and expansion of tourism and coastal settlements. Flat coasts are influenced by the building of ports, marinas, airports, and tourist installations. The degradation of aquatic ecosystems is mainly due to pollution originating from ports and industrial installations as well as from residential areas. The degradation of ammophilous ecosystems is caused by sand extraction, road construction and recreational and tourist activities. Forests in rural areas are being destroyed both by fires and tourist activities. On the other hand, forests in coastal areas are destroyed for tree plantation, agricultural land, residential areas and industrial areas. All these activities contribute to the deterioration of terrestrial and aquatic ecosystems, and create water, air, land, noise and aesthetics pollution.

Lake and river shores in coastal areas are more prone to deterioration originating from recreational activities. In addition to recreation, activities for industrial and agricultural purpose negatively affect the rivers and lakes and rural areas on the lake shores.

The dense settlement patterns in coastal rural areas cause degradation of biotopes and modification of landscapes. Besides the degradation of flora and fauna, the uncontrolled hunting and the interest of human beings in plant and animal species collection destroy nature.

As a result of these activities, the terrestrial and aquatic ecosystems of coastal rural areas deteriorate. Concentration of human settlements along the coast, industrial and tourism development, the frequent and intensive use of recreation areas lead to the degradation of wetlands, and forests on the coasts, beaches, estuaries as well as of the ecosystem as a whole. This degradation is also observed on the shores of lakes and rivers in rural areas near the sea.

While the diversification of activities create negative impacts on the environment, the

requirements of the residents in coastal rural areas have to be met. Therefore, the establishment of a balance between the conservation of nature and development is necessary. Briefly, sustainable development is to be achieved. The concept of sustainable development explicitly recognizes interdependencies that exist among environmental and economic issues and policies. Sustainable development is aimed at protecting and enhancing the environment, meeting human needs, promoting current and intergenerational equity and improving the quality of life of all peoples.

As can be observed from the perspective of sustainable development, tourism, industry and recreation have negative and positive physical/social/economic effects on coastal rural areas.

For example, besides the negative environmental impacts (water pollution, air pollution, noise pollution, visual pollution, waste disposal problems, ecological disruption, environmental hazards, damage to archaeological and historical sites), tourism and industry also create positive consequences. The issue of conservation of important natural areas attract more attention in the presence of developments in tourism. Tourism also contributes to the conservation of archaeological and historic sites and architectural character. This is because the attractiveness and thus the visits of tourists to these areas will in turn contribute to the development of tourism. By the same token tourism contributes to the improvement of environmental quality, enhancement of the environment, improvement of infrastructure, increasing of environmental awareness.

The development of tourism has direct and indirect economic benefits. Direct economic benefits include provision of employment, income, foreign exchange which lead to improved living standards of the local community and overall national and regional economic development. In economically depressed areas, it creates new employment for young people and women. Tourism development contributes to increased government revenues. Through the taxation revenues obtained from this sector, community development and provision of infrastructure and services are rendered possible.

The indirect effects of tourism is the promotion of other economic sectors. It helps to foster developments in other sectors, such as agriculture, fisheries, construction, certain types of manufacturing, handicrafts as well as promoting the provision of goods and services related to these sectors. Another of its impact is the improvement of infrastructure and services provision at national, regional and local levels. It also contributes to the development of technical and managerial skills of people, thus contributing to public training. Tourism also helps to the revitalization and conservation of traditional arts and life styles (dance, music, drama, customs and ceremonies). Museums, theatres and festivals all benefit from the development of tourism and thus the public at large is indirectly educated.

Cultural relations help people and countries to interact more closely. However, acculturation is a sensitive issue. Nevertheless, in societies where different cultures exist, acculturation through tourism enhances social unity.

Beside these positive impacts, tourism has negative social and economic effects. If touristic facilities and their management are not provided by the local people, tourism can not promote community development. Thus employment opportunities are not created for the local

population. Rural household incomes will not increase and out migration from rural areas can not be reversed. The development in the agriculture and fishery sectors will not be achieved. It is important to include the limited local capital in this development.

Another negative effect of tourism is overcrowding which has implications not only on the natural structure but also reflects itself in the overcrowding of local roads, restrictions in shopping opportunities and use of community facilities. These effects in the longer run lead to a negative approach of residents to tourism. Tourism may have adverse cultural effects on youth such as increase in drug abuse, alcoholism, crime, prostitution, etc.

Industrial developments also have socio-economic impacts. It contributes to the national economy, provides new employment opportunities for local people, promotes the development of subsidiary sectors (communication, small industry and research and development, etc.), enhances the development of infrastructure and social facilities at the regional and local levels. Similar to the tourism sector, the excessive utilization of water and energy and pollution (air, water, land) creation are the disadvantages of the industrial sector.

3. CHANGES IN THE COASTAL RURAL AREAS ON THE MEDITERRANEAN BASIN IN TURKEY

3.1. Historical perspective

3.1.1. Until 1960s

The coastal areas which constituted one of the most advanced regions in terms of economic activities and population in ancient times, lost their importance due to decreasing significance of the Mediterranean trade route, earthquakes, wars, degradation of aqueducts. As from the second half of 19th century, the increasing importance of cotton production together with other cash crops stimulated economic development. During this period, the small and dispersed rural settlements along the Anatolian Mediterranean coast were engaged in agricultural production and had stagnant social lifestyles.

3.1.2. Between 1960-1980

During this period, besides the developments in agricultural production, agricultural based industry (in particular textile) had also developed. This period during which agricultural production in coastal rural areas was being increasingly modernized has witnessed an increasing threat to agricultural land by industrial developments. In addition to agricultural based industries, heavy industries such as petrochemicals, iron and steel, etc. have also developed.

The 1960s are the years during which the rural/urban migration had started and Turkey had entered a rapid urbanization process. The appeal of urban areas with their developed industrial and service sectors together with the problems of rural areas such as over fragmentation in land ownership and the consequent decrease in agricultural productivity, inadequacy in social and technical infrastructure has attracted people first to coastal provinces in Marmara and Aegean regions and later on to the Mediterranean provinces. Due to this phenomenon, the provinces on

the Mediterranean coast also have experienced rapid urbanization. The agricultural land adjacent to the rapidly urbanizing areas reserved for housing to meet future urban growth have started to transform into industrial areas. As during this process, the new-comers could not be offered urban land, and housing policies could not be developed adequately, the limited purchasing power of the newcomers has resulted in illegal housing developments in rural areas lying adjacent to urban and industrial areas. All of these phenomena exerted their effects more severely on the Mediterranean coast than on inland areas. Due to their climatic and natural characteristics, the rural areas of the Mediterranean coast are being increasingly taken over by secondary housing developments. At present, the Mediterranean coast between Mersin and Tasucu is an area where dense secondary housing developments are observed.

The port of Mersin serving as the major gate of Adana and Turkey since the last century has further developed during this period and port functions (trade, warehousing, etc.) have increased. This development has stimulated migration from rural areas to Mersin.

3.1.3. After 1980

The policies pursued in the 1980s have achieved a rapid development in external and internal tourism after 1985 in the Mediterranean coast and especially in Antalya coast well known for its impressive ruins dating to ancient and Medieval eras, splendid beaches, long and sunny summers. The development of tourism has led to a loss in agricultural land as well as contributing to environmental problems. The negative and positive effects of tourism discussed in the second section of this paper, have emerged in the rural areas of the Mediterranean coast.

During the 1980s the increasing rate of growth in illegal developments and squatting in coastal rural areas have led to the loss of shores to be used by the public as well as agricultural land. These are the years during which the population of settlements on the Mediterranean coast have increased due to migration both from their own hinterland and from other parts of Turkey and thus an planned/unplanned expansion of urban uses to rural areas were experienced.

3.1.4. The 1990s

Today, the Mediterranean coast displays a higher rate of urbanization and density than the rest of the Mediterranean region and Turkey. To the west of the region, Alanya - Antalya has dense tourism uses and to the east of Antalya, secondary housing developments, commercial and service sectors related to tourism and industry have developed. This region also grows 96% of the total citrus fruit, 100% of the banana, 60% of cotton, while maintaining other agricultural production. The area also experiences rapid urbanization, intense tourism and environmental problems in rural and urban areas.

In this region where the mountains stretch parallel to the coastline, the habitable areas are restricted to areas between the mountain rows and the shore. In areas where this strip widens, intensive agriculture takes place or urban areas continue their expansion. At present, a problematic linear urban development parallel to the coastline is observed.

The Anatolian coast cradle to various civilizations has a rich cultural heritage. A number of small rural settlements are intermingled with archaeological sites. The dense use of

archaeological sites lead to the destruction of these areas.

In short, the development of technology, communication and transportation networks in Turkey have led to the diversification of activities in the rural areas on the Mediterranean coast. The development of tourism and recreation in rural areas resulted in crop diversification and development (increase in the share of horticulture, decrease in banana production), increase in green houses, revitalization of handicrafts, creation of employment opportunities for rural population, promotion of other sectors such as construction, trade and services. The coastal tourism also paves the way to various branches of tourism such as mountain, plateau, and hunting tourism, trekking and other recreational activities. However, intense tourism developments lead to the destruction of nature, historical sites and coastal areas. The major issue involves the development of rural areas while alleviating environmental problems, that is sustainable planning. At present "sustainable tourism" and "sustainable planning" issues in relation to the Mediterranean coast are being discussed within the context of rural development as well as urban development and improvement programs.

3.2. Changes in settlements on the Mediterranean coast in Turkey

3.2.1. Changes in population and sectoral employment

The provinces on the Mediterranean coast of Turkey is rapidly urbanizing. In 1990 approximately 10% of the population of Turkey was living in this region. At the provincial scale, 58% of the population is urban and 42% lives in the country. These values correspond to the national average of Turkey. (Appendix: Table 1). The highest rate of increase in urban population is observed between the years 1980-1990. However in the coastal areas, urban population increase is way above the national average (see, Appendix: Table 2). The maximum increase is noted in Antalya which has developed due to tourism and Mersin which has developed due to industry and its port function (See, Appendix: Tables 3,4).

There are nineteen out of a total of seventy-five provinces in Turkey receiving net in-migration during the 1980-85 period. Out of the five provinces in the Mediterranean region, Içel, Antalya, and Adana rank among the top seven within this list (See, Appendix: Table 5).

At the provincial level, Adana and Hatay is highly above the Turkish average regarding population densities, while with a density of 200 km2/person, the coastal areas of the region as a whole is also above the national average (See, Appendix: Table 6).

A review of the changes in employment in agriculture, industry and service sectors in the provinces on the Mediterranean coast, reveals that there is a steady decrease in agriculture, an increase in industry until 1980s and decreases thereafter, a constant increase in the service sector. In Antalya, the increase in service sector is due to tourism. The major increase in this sector has occurred between 1970-80. The decrease observed in this sector after the 1980's can be attributed to the relative saturation of the services sector compared to tourism. The major thrust in industry has occurred up to the 1980s. The decrease observed after this date is due to the stagnation in the national economy in the 1980s (See, Appendix: Tables 7,8,9). By 1990, at the regional scale agriculture is the primary sector in spite of the gradual decrease by years, whereas services hold the second, and industry the third places. However while industry and

services are the dominant sectors in the coastal areas, agriculture is the first in inland areas. Nevertheless, citrus fruit and cotton production take place in the coastal areas.

3.2.2. Socio-economic change

The coastal rural areas in the Mediterranean region display variations from the inland areas. These variations involve agricultural crop species as well as socio-economic conditions. For instance in the coastal areas citrus fruits, industrial crops and vegetables are grown while animal husbandry and cereals are the main sources of production in inland areas. In coastal areas the most important production change has occurred in agricultural areas which were transformed into flower fields responding to the requirements of a growing tourism sector. Furthermore, depending also on the growing tourism, urbanization and secondary housing phenomena, a spatial transformation was experienced and an increase in commercial activities was noted.

Particularly after 1980, significant investments for motorway construction were undertaken in the region. The share of the region in other total investments undertaken in Turkey is 6%, which shows that the social and technical infrastructure in the region is at a satisfactory level (See, Appendix: Table 10).

Especially in 1980s, the state has played a major role in the changes related to the intensive tourism development along the Antalya coast. Allocation of forestry areas and other public land to tourism, infrastructure provision, investment concessions, tax reductions, supply of land to investors at convenient terms, opening to foreign capital through the Build-Operate-Transfer method are the main policies pursued. On the other hand, the communication policies adopted contributed to the development of tourism and the PTT (Postal, telegram, telephone) services have been extended to the remote villages for touristic purposes.

3.2.3. Problems of settlements along the Mediterranean coast in Turkey in the post 1980 period – Impacts of diversification of activities on rural areas

The problems of rural/urban areas along the Mediterranean coast originate from the developments and policies pursued in the country as a whole. These include:

a) growth and development in Turkey;

b) the preference in favour of coasts and rural areas on the coasts in urban development, housing development and in the locational choices of other activities;

c) the locational shift of industries to coastal areas;

d) increasing demands of land for tourism, recreation and secondary housing purposes along the coasts;

e) destructive impacts of intense tourism on rural and urban areas;

f) inability in the preservation of natural and archaeological sites in coastal areas;

g) the loss of agricultural areas as a consequence of the pressures by other activities;

h) the deteriorating effect of infrastructural investments on coastal rural areas;

i) social, cultural and economic impacts of rapid growth and development on rural residents.

Nevertheless, some of the above issues classified as problems had also beneficial effects on rural areas. For example, while mass tourism creates adverse effects on the local population and nature, it also has positive effects such as leading to a well preserved environment, infrastructure provision, employment creation, promotion of side sectors.

As a consequence of rapid urbanization in Turkey, the increasing demands for land for purposes of housing development and other activities in settlements along the coasts of Mediterranean lead to urban encroachments in agricultural land and exert negative effects on archaeological and natural sites. Consequently, both rural and urban areas are confronted with environmental problems. The maintenance of linear settlement pattern in coastal areas, the intensive utilization of coasts and the opening of forests for settlement purposes are other important issues. The planned tourism areas and the motorway with a quality above the world standards in western Antalya consists an example of positive tourism development, whereas the main transportation axis in eastern Antalya transpassing the coast creates problems such as the intensive use of coastal areas and secondary housing development.

Resulting from the high urbanization rate, the social and technical infrastructure in rural areas remain incomplete, most of the fresh water is used by urban settlements and tourism enterprises, and the rural production is under the threat of underground salty water diffusing to inland sections as a result of excessive well-drilling.

As have already been noted in other sections of this paper, tourism has both positive and negative effects. The increase in employment opportunities as a result of tourism development, together with the increase in training facilities for local people constitute the positive aspects whereas the rising rate of drop-outs from school for the purpose of getting a job in the sector consists the negative side of the picture. The relations with the tourists create negative and positive cultural consequences.

Other problems include the lack of co-ordination among neighbouring municipalities and lack of conformity by lower hierarchy plans to macro level plans.

4. PROPOSALS

Change, diversity and complexity best describe contemporary coastal rural areas on the Mediterranean. Today, the word rural is used to describe a diversity of landscapes, economies, and people. But change and diversity have made many rural areas more complex and difficult to understand. Future growth in rural areas will depend primarily on the price and availability of energy, on labour costs and productivity, and on other resources such as water. Another major influence on rural growth will be whether rural areas can continue to provide those qualities that have attracted people in the past, namely clean air and water, open space, landscape, etc.

Proposals regarding the sustainable development of coastal rural areas which are expected to maintain their past attractiveness in the future are formulated in accordance with four principles. These include:

- conservation and maintenance of rural values;
- the development of rural areas within the framework of sustainable development;
- facilitating the conscious participation of local population in shaping the physical space;
- ensuring the necessary processes (information/research), stages and institutionalization.

The sustainable development of the Mediterranean coastal rural area which is a special region, requires that the subject be dealt with under the following headings:

1. Planning
2. Administrative arrangements
3. Legislation
4. Land policy
5. Economic productivity
6. Sociological issues
7. Education
8. Information
9. Research
10. Monitoring

1. Planning

The planning of coastal rural areas should be studied within the framework of "sustainable regional planning". Within the scope of this type of planning the policies regarding:

a) open areas;

b) small rural settlements;

c) settlements and undeveloped areas adjacent to rapidly developing settlements, should be determined.

The issue should be presented under the headings of energy conservation, economic development and environmental development. Environmental protection, sectoral planning and management should be integrated into plans and programmes. Local authorities should conform to these regional plans.

2. Administrative arrangements

The responsibilities in the coastal areas are dispersed due to the complex nature of these areas. Planning, conservation, environment, tourism, economic activities, etc. are managed by different authorities. There is a need for co-ordination in planning and implementation. The NGO's have a major role to play in this respect. They can link the demands of local population with the activities of the central planning authorities.

3. Legislation

Many of the countries on the Mediterranean coast have issued legislation pertaining to the conservation of coastal areas. They are organising the interrelationship among their legislation agreements and protocols regarding all countries are being based on this. The tools for co-operation aiming at environmental protection among countries sharing a common physical space and culture should be enhanced. The important point is that these protocols should be given due attention by the individuals. NGO"s could play a leading role in raising public awareness on this issue.

4. Land policy

a) Urban and rural land policies should be reviewed.

.open areas;
.coastal rural areas and settlements in the vicinity of rapidly developing large settlements;
.coastal rural areas and settlements afar from the rapidly developing large settlements should be taken up individually for policy formulation.

b) In countries with free market economies measures to prevent haphazard development of activities and illegal constructions in rural areas should be enforced with a view to conserving traditional rural values.

c) Appropriate instruments and control mechanisms for land development should be devised. Legislation in the fields of taxation, market, financial support and administration should be developed for the conservation and enhancement of coastal rural areas.

5. Economic productivity

a) plans should be prepared for the environment friendly development and transformation of activities such as forestry, recreation, fisheries, energy, tourism and industry in coastal rural areas;

b) measures should be taken for raising the incomes of population, reducing unemployment, and increasing access to services;

c) investments of the private entrepreneurs, government, non profit firms and cooperatives aiming at conservation and creation of new employment opportunities within a sustainable planning context should be supported;

d) measure to increase the participation of public in envisaged activities should be taken, Therefore regarding these activities actions in conformity with the value judgments, religion, traditions and habits of the community should be developed and public participation be encouraged;

e) infrastructure investments (transportation, treatment systems, energy, etc.) which will increase the productivity of economic activities (recreation, tourism, etc.) should be designed in an environmentally sensitive way and environment friendly systems should be chosen;

f) measures should be taken to promote and encourage existing economic activities (agriculture, fishing);

g) improvements in existing industry and tourism sectors should be undertaken. In industry, environment friendly systems and recycling processes should be promoted. In tourism, ecotourism should replace mass tourism; and diversification of tourism activities to include facilities for expensive hobbies emerging as a result of higher standards of living and welfare, should also be given due importance;

h) measures should be taken for the conservation of historical and natural sites.

6. Sociological issues

a) public participation in the activities relating to the programmes for the development of coastal rural areas should be ensured;

b) they should directly or indirectly take part in the planning process;

c) local population should benefit from those activities that are directed to the region to promote regional development. These activities should be suitable for the local community;

d) the said activities should facilitate the displaying of endogenous skill and cultures. The organisation of such activities should be undertaken by certain institutions. For example,

handicrafts and folklore could be exhibited and local residents can be used as guides for visits to historical ruins near a village;

e) measures should be taken to protect residents from the adverse effects (drug abuse, prostitution, etc.) of the new activities and to enhance their education through acculturation;

7. Education

a) public awareness on the environment should be enhanced;

b) firms and employees should be trained to take the necessary measures for the alleviation of the harmful effects of their activities on coastal rural areas;

c) public training and education facilities should be increased with a view to enabling the local population to be employed in coastal rural sectors.

8.& 9. Information – Research

a) communication facilities should be expanded to facilitate exchange of experience on coastal rural areas among countries. Countries should be informed about positive/ negative aspects;

b) the regional planning methodologies and techniques regarding the sustainable development of coastal rural regions should be developed and other countries should be informed of the progress in this field;

c) research should be conducted for the promotion of energy conservation in coastal rural settlement development and the results of such research should be disseminated to other countries;

d) public participation should be encouraged through information on sustainable coastal rural area planning;

e) communication among local residents, organisations, commissions, investors taking part in coastal rural areas development programmes should be increased.

10. Monitoring

Physical, economic, social development programmes regarding coastal rural regions should be implemented, monitored and controlled.

The maintenance and improvement of the traditional structure of coastal rural areas, alleviation of negative impacts of diversification of activities and increasing the positive contribution of this diversification on the region could be achieved through “sustainable coastal rural area planning”.

. Governments,
. local authorities,
. local population,
. various sectors,
. international organisations

have different missions, responsibilities and authority for the achievement of sustainable development.

APPENDIX

TABLE 1: TOTAL POPULATION OF PROVINCES ON THE MEDITERRANEAN BASIN IN TURKEY (1990)

1990	Provinces	Total	Urban Population	Rural Population
	Adana	1.934.907	1.350.339	584.568
	Antalya	1.132.211	602.194	530.017
	Hatay	1.109.754	531.707	578.047
	Içel	1.266.995	787.284	479.711
	Mu_la	562.809	186.397	376.412
	Total	6.006.676	3.457.921	2.584.755
		% 100	% 58	% 42
	Turkey	56.473.035	33.326.351	23.146.684

Source:State Institute of Statistics, Prime Ministry, Republic of Turkey: 1990, Census of Population, Social and Economic Characteristics of Population, Table 16.

TABLE 2: URBAN AN RURAL POPULATION OF PROVINCES ON THE MEDITERRANEAN BASIN IN TURKEY (1960 - 1990)

	Provinces	Total	Urban Population	Rural Population
1960	Adana	760.803	334.039	426.764
	Antalya	416.130	95.424	320.706
	Hatay	441.209	167.885	273.324
	Içel	444.523	152.506	292.017
	Mu_la	299.611	53.238	246.373
	Total	**2.362.276**	**803.092**	**1.559.184**
	Turkey	**27.734.820**		
1970	Adana	1.035.377	525.668	509.709
	Antalya	577.334	176.008	401.326
	Hatay	591.064	242.052	349.012
	Içel	590.943	246.300	334.643
	Mu_la	368.776	70.596	298.180
	Total	**3.163.494**	**1.260.624**	**1.892.870**
	Turkey	**35.605.176**	**13.691.101**	**21.914.075**
1980	Adana	1.435.743	842.845	642.898
	Antalya	748.706	280.837	467.869
	Hatay	856.271	366.500	489.721
	Içel	843.931	424.544	419.387
	Mu_la	438.145	100.314	337.831
	Total	**4.372.746**	**2.015.040**	**2.357.706**
	Turkey	**44.736.957**	**19.645.007**	**25.091.950**
1990	Adana	1.934.907	1.350.339	584.568
	Antalya	1.132.211	602.194	530.017
	Hatay	1.109.754	531.707	578.047
	Içel	1.266.995	787.284	479.711
	Mu_la	562.809	186.379	376.412
	Total	**6.006.667**	**3.457.921**	**2.584.755**
	Turkey	**56.473.035**	**33.326.351**	**23.146.684**

Source:1) State Institute of Statistics, Prime Ministry, Republic of Turkey: 1990 Census of Population, Social and Economic Characteristics of Population, Table 16.

2) State Institute of Statistics, Prime Ministry, Republic of Turkey: 1990 statistical pocket book of Turkey, publication 1450, p.15.

3) State Institute of Statistics, Prime Ministry, Republic of Turkey: 12.10.1980 Census of Population, Publication No:1072, Table 7.

4) State Institute of Statistics, Prime Ministry, Republic of Turkey : 25.10.1970 1990 Census of Population, Social and Economic Characteristics of Population, Table 3.

5) State Institute of Statistics, Prime Ministry, Republic of Turkey: 23.10.1960 Census of Population

TABLE 3: RATE OF INCREASE IN ANNUAL URBAN AND RURAL POPULATION BY PROVINCES ON THE MEDITERRANEAN BASIN IN TURKEY (1985-1990) (%)

Provinces	Total	Urban Population	Rural Population
Adana	22.86	32.30	3.16
Antalya	47.88	73.42	22.35
Hatay	20.38	20.10	20.63
Içel	40.63	52.91	21.97
Mu_la	29.32	43.73	22.55

Source:Year Book of the State Institute of Statistics, Prime Ministry, Republic of Turkey, Publication No. 1510, p. 40.

TABLE 4: ANNUAL RATE OF INCREASE OF POPULATION BY PROVINCES (1997 -estimated population)

Ranking	Annual Rate of Increase
1. Antalya	44.45
6. Içel	37.19
16. Mu_la	25.88
21. Adana	19.42
27. Hatay	19.94
4. Istanbul	41.34
15. Izmir	26.70
23. Ankara	17.84

Source:State Planning Organisation, Various Indicators by Provinces, June 1993, Compiled with reference to Table 20, p. 30.

TABLE 5: RANKING OF PROVINCES WITH REGARD TO THE NET RATES OF IN - MIGRATION (1965 - 1981) (% 0.)

Ranking	1965-70	Ranking	1970-75	Ranking	1975-80	Ranking	1980-85
12. Adana	11.98	5. Antalya	34.43	5. Içel	51.94	3. Içel	52.92
17. Antalya	5.39	8. Hatay	28.08	6. Antalya	24.22	6. Antalya	30.92
20. Içel	4.39	9. Içel	24.44	8. Hatay	17.80	7. Adana	15.05
23. Mu_la	- 8.29	16. Adana	9.47	16. Mu_la	4.06	14. Mu_la	6.65
31. Hatay	- 24.15	27. Mu_la	- 1.13	18. Adana	0.97	16. Hatay	5.45

Source:State Planning Organisation, Internal Migration in Turkey and Socio-economic Characteristics of Migrants, June 1993: p. 11.

TABLE 6: DENSITY BY PROVINCES ON THE MEDITERRANEAN BASIN IN TURKEY (1990) (Km2/person)

	Density
Turkey	73
Adana	111
Antalya	55
Hatay	204
Içel	82
Mu_la	45

TABLE 7: CHANGES IN THE AGRICULTURAL WORKFORCE BY PROVINCES ON THE MEDITERRANEAN COAST (1960-1990) (Economically active population 15 year old and over)

	1960	%	1970	%	1980	%	1990
Adana	203.526	16	237.460	48	352.021	- 0.4	336.054
Antalya	166.098	30	217.347	14	248.251	27	316.658
Hatay	133.524	10	147.984	28	190.385	14	271.174
Içel	155.572	10	172.512	20	207.547	34	277.731
Mu_la	126.859	15	146.064	12	162.876	15	187.081

Source:State Institute of Statistics. Population Censuses of 1960-1970-1980-1990, Social and Economic Characteristics of Population.

TABLE 8: CHANGES IN THE INDUSTRIAL WORKFORCE BY PROVINCES ON THE MEDITERRANEAN COAST (1960 - 1990) (Economically active population 15 year old and over)

	1960	%	1970	%	1980	%	1990
Adana	24.444	67	41.060	70	69.627	38	96.151
Antalya	8.635	61	13.923	40	19.657	68	33.099
Hatay	10.644	40	14.945	166	39.851	13	45.093
Içel	12.595	45	18.281	78	32.702	31	42.899
Mu_la	8.389	28	10.751	29	13.947	31	18.290

Source:State Institute of Statistics. Population Censuses of 1960-1970-1980-1990, Social and Economic Characteristics of Population.

TABLE 9: CHANGES IN THE SERVICES WORKFORCE BY PROVINCES ON THE MEDITERRANEAN COAST (1960 - 1990)
(Economically active population 15 years old and over)

	1960	%	1970	%	1980	%	1990
Adana	68.295	42	97.229	60	155.961	58	247.076
Antalya	21.064	99	42.085	96	82.606	148	205.530
Hatay	43.703	19	51.844	66	86.111	50	129.600
Içel	32.897	60	52.609	93	102.012	80	183.669
Mu_la	16.991	46	24.828	82	44.200	126	100.244

Source:State Institute of Statistics. Population Censuses of 1960-1970-1980-1990, Social and Economic Characteristics of Population.

TABLE 10: PUBLIC INVESTMENT EXPENDITURES OF PROVINCES ON THE MEDITERRANEAN COAST, 1983 - 1982 (By 1993 prices) (million TL)

Adana	11.682.248
Antalya	5.823.798
Hatay	11.723.468
Içel	8.960.601
Mu_la	26.732.578
TOTAL	**64.932.693**

Source:State Planning Organisation, Various Indicators by Provinces, June 1993, Compiled by using Table 5.

THE FUTURE OF RURAL AREAS AND AGRICULTURAL ACTIVITIES IN MEDITERRANEAN COUNTRIES

3. Regional impact of the Common Agricultural Policy (CAP) on the agricultural activities of Mediterranean countries

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Predictions and policies build on "quick sand"

It is always difficult to make geopolitical predictions since the quest for empirical data and its evaluation they are based on, are rarely differentiated from our ideological preconceptions**,** not to mention the role of unforeseen factors. This is more so during transitional periods as the one we are living in. Not so long ago, Fernand Braudel, the great French historian, wrote that the Mediterranean is "a thousand things together....a meeting with very old things that are still alive though and coexist with the ultra-modern". Since then major changes happened in a world scale. The collapse of Soviet type economies and societies is followed by the dominance of neoliberal policies where gigantic multinational companies, international credit institutions and hypernational political centres prevail. In highly industrialised countries, new technologies, namely biotechnology and information systems impose the abolition of Fordist model of organising production and everyday life. Development in other parts of the world is delayed, while demographic explosion, political instability, food shortage and environmental downgrading threaten the very existence of some countries. Moreover, let us not forget that a part of the above mentioned problems is "exported" to the developed world through immigration (over five million immigrants from the Mediterranean are currently living in the European Union [EU]) and the creation of cheap labour enclaves or through pollution (the greenhouse effect, waste etc.).

These developments affect agriculture and form a new reality influencing not only the economy and rural communities, but also the way society in general views the role and importance of farmers and agricultural environment. Within the agricultural economy, the reduction of state protectionism is becoming essential and international competitiveness is acquiring paramount importance when choosing any development route. Thus, it is not surprising that economic interest has shifted from the farms to the industrial and commercial links of the modern agri-food chain. Within rural societies, farmers ceased to play a prominent role and are on the brink of marginalisation. Fewer, older and less educated, these people are encouraged, individually or in groups, to develop business skills, diversify the ways they exploit their production, supplement their income through non-agricultural activities and become "guardians of the environment". Many are already talking about the "rurbanisation" phenomenon, pointing out the nature of the new social stratification in rural areas, at the time of farming contraction. It is worth acknowledging the consequences of the changes in society"s perceptions concerning the role and importance of farmers and agricultural environment. There is an emphasis laid on new

uses of rural space reflecting, more generally, urban populations" claims to "healthy eating", "natural lifestyle" and "return to nature". Understandably, due to these new trends, people in the cities who traditionally favoured farmers, no longer do so and the latter see their co-operative and professional organisations movements losing their political power. In contrast, there is a steady increase in membership numbers and political influence of non-governmental organisations for the protection of the environment, cultural heritage and consumer rights.

One could argue that the above mentioned changes signal a transitional period, but, after all, they concern only a small part of our planet, i.e. the rich countries. Though this is correct, on the one hand the dependence between developed and developing countries still exists, as already mentioned, and on the other hand, the need for interventionist policies concerns both the rich and the poor, at the time when the old distinctions between north-south, urban- rural, developed-developing are becoming increasingly vague and inadequate. The country members of NAFTA and EU are challenged by Japan, countries of South-East Asia and soon China. Central and eastern Europe knocks at the door of western Europe. Furthermore, what is considered to be the "south" of Europe, from a development and not a geographical point of view, faces problems more similar to the ones of other non-European Mediterranean countries than the ones occurring in its northern EU counterparts[1]. At the same time, even a simple catalogue of Mediterranean countries grouped together, for the sake of analysis, reflects the complexity of the unity that the Mediterranean notion attempts to express in a geopolitical context: northern and southern countries, members of the EU and Arab countries, oil producing countries or not, of low or intermediate income, oil exporters of high and intermediate income, industrial countries (Papayannakis M.*et al*.,1986).

The transitivity characterising world economy and the multi-faceted reality of the umbrella-term "The Mediterranean -Mediterranean countries" convey the feeling that, no matter how necessary development strategies and predictions are, they are still rooted in the "quick sand" of a world which can no longer be interpreted through the conventional affirmations of our ending century. In view of these difficulties, the following text simply expresses some thoughts regarding the effects of the Common Agricultural Policy felt in the agriculture of the Mediterranean countries in particular. The economy of this paper but, mainly, the author"s expertise are the reasons for focusing on the experience gained from the application of the CAP to the southern member-states of the EU. Hopefully the conclusions drawn from this analysis will be useful for the dialogue launched after the Euro-Mediterranean Conference which took place in Barcelona last November.

The CAP (1992-2000): eight crucial years

Any discussion of the effects of the CAP upon the wider region of its application (i.e. the Mediterranean countries) presupposes the co-evaluation of two basic issues. First, what type of agriculture is promoted by the policy under question within the framework of EU and second, how the CAP, one of the most traditional and extensive policies of the EU, fits within the short and long term strategic aims of the latter. As far as the first issue is concerned, it is known that since 1992, the CAP has diversified its founding goals. The objectives of the CAP, as stipulated in Article 39 of the Treaty of Rome, reflect the priorities of the founding member states in the 1950s. Their main aim was to ensure food sufficiency through secondary objectives, namely the increase of agricultural productivity, the market stabilisation and the assurance of a satisfactory

standard of living for the agricultural community. These objectives were mainly achieved through mechanisms containing market intervention measures such as price support, import duties and export refunds for main agricultural products such as cereals, beef, lamb and milk. While farming was intensifying, partly due to the above mentioned CAP objectives, the fiscal cost of subsidising and managing any surplus production rocketed. In an attempt to control over-production, the CAP adopted measures such as milk quotas in 1984, and in 1988 set-aside, then in a voluntary form. The CAP reform of 1992 was, in fact, the most ambitious attempt to face the cost of over-production within European farming. Nevertheless, over-production was not the sole problem the CAP had to tackle. Following the terms and conditions of sustainable development which dominated the international fora after 1987, it was obvious that European agriculture had developed on the whole, because of the CAP. However, such progress did not prevent economic inequalities, social injustice or the downgrading of the natural environment. These negative developments were vividly depicted on the European farming sector which was anything but homogeneous after thirty years of the CAP application. Grosso modo, one could identify three types of agriculture: mass production agriculture, quality production agriculture and small scale pluri-active agriculture. It would be useful to refer briefly to the main characteristics of each type (Poux *et al*., 1995).

1. Mass production agriculture is the most widespread type within the EU and includes farms the viability of which depends upon high, usually subsidised production. These farming systems, bearing the structural features of size increase, specialisation and standardised production practices do not favour the survival of traditional, locally adapted farming systems. Furthermore, they have significantly affected the environment and almost monopolised the CAP resources, thus contributing to the socio-economic injustice which characterises the CAP.

2. Quality production agriculture is less widespread. Even though its viability relies on the scale of production, its products are sold at higher prices and this reduces the dependence on the level of output. This type of agriculture specialises in producing products of defined standards, such as "*appellation d"origine contrôlée*", but also displays a diversity of farming practices related both to the products and local conditions. On the other hand, since quality production agriculture is partly defined by consumer demands, it is more sensitised towards the environment, although with some exceptions. For example, high quality wine production involves the cultivation of slopes prone to erosion and the use of pesticides and fertilisers.

3. Small scale pluri-active agriculture is characterised by insufficient quantity and quality of production and its viability depends upon farmers" supplementary income earned from non-agricultural activities. Diversified agricultural systems are found predominantly in regions of low agricultural potential e.g. mountains, but sometimes, in high quality landscapes with potential for touristic development. These systems, that, up until now have survived in the margins of the main directives of the CAP, are gaining public attention thanks to the EU regional development policies, structural funds and the Accompanying Measures of the 1992 reform, examined below.

Bearing in mind this three-faceted picture of European agriculture, one could comprehend better, first, the philosophy of the 1992 reform and, second, its temporary achievements as well

as limitations, thirty years after the introduction of the CAP. Dealing with surplus production of European agriculture has been the core of the reform. The price support for cereals, oil producing seeds, protein plants, beef and lamb was significantly reduced while semi-compulsory set-aside of arable land (10-15% of the acreage) was introduced for the bigger farms (with a cereal production exceeding 92 tonnes). Because such policy resulted in income loss, farmers received arable payments (per hectare of arable land) and animal premia (per livestock head). The results of compulsory set-aside were really spectacular. Within two years of the introduction of this system, the market was relieved, 1991 stocks were dramatically reduced (so was the respective environmental damage caused by their production) and the subsidised export quantities decreased. An example of the effectiveness of this measure is the fact that (combined with other factors) international prices, according to estimates, rose by 30-40% within the last year, keeping in mind that the EU is one of the biggest producers and cereal exporters in the international market. Despite all this, the EU budget for the agriculture was not reduced and beef production remains uncontrolled. On the other hand, the adoption of Accompanying Measures (Regulation 2078/92 "on environmental incentives", Regulation 2079/92 "on early retirement", Regulation 2080/92 "on forestry") was of major importance for problems related to economic inequality, social injustice and environmental downgrading already exposed through the presentation of the three types of agriculture in the EU. The significance of these measures is considerable as they appear to lead the way to a transformation of farming regions resulting in their sustainable development. It is worth noting that, through the Accompanying Measures, attempts are made to redistribute expenses in a fairer way and to rebalance the support among those sectors even within the FEOGA Guarantees Department. However, only feeble action has so far been taken, as is the case with a long standing demand of the agriculturally less favoured EU member states, regions and peripheries. These areas are seeking a fairer ratio between market support expenses and the structural CAP policy. Table 1 of the Appendix shows this particular lack of initiative and the weakness to reform the distribution of funds.

The availability and distribution of funds are not the only threat for the completion of the 1992 reform. In the December 1994 European Council which took place in Essen, it was stated that agriculture constituted the key-element of the EU pre-accession strategy towards countries of central and eastern Europe (CEECs). Two basic observations were made in the relevant study submitted by the Commission to the Madrid Summit Conference, last December (CEC, 1995) .The first observation considers that a resolute continuation of the 1992 reform approach which would lead to a clearer distinction between market policy and income support, would not only be less distorting from an economic point of view, increase the market orientation of the sector and help to make it more competitive, but it would also tend to facilitate future integration of the CECs. According to the second observation, following the hypothetical scenario of all ten associated countries joining in 2000, the budgetary impact of enlargement would be an additional cost in the order of 12 bio ECU per year after a period of transition and adjustment (compared to a projected 42 bio ECU for EU-15), including the arable payments and animal premia and the accompanying measures. There is no doubt that, the enlargement of the EU to include the CECs is related to its wider geopolitical interests. Nevertheless, the combination of CAP"s future prospects and the perspective of enlargement pauses serious problems for the promotion of sustainable development in the agricultural sector of the EU, especially for the abolition of structural and economic inequalities amongst the member states, peripheries and regions of the EU itself. As far as the first point is concerned, despite the reform, the core of the

CAP has not been infiltrated by the principles of sustainable development. General data referring to this matter has been given above. At this stage, one should add that the budget of agri-environment Regulation 2078/92, which is of paramount importance for the promotion of sustainable development, does not exceed 650 mio ECU for 1996, in other words 1.6% of the expenses of the FEOGA Guarantees Department. In addition, important measures such as eco-responsibility, levy of inflow tax and eco-labelling are still discussed and viewed with a certain scepticism (Weijden van der W. J. et al.,1994). As for the second point, the reaction of member states facing serious structural problems in their agriculture is not fortuitous. Greece, for instance, replied through its Minister of Agriculture (29.11.95) to the above mentioned Agricultural Strategy Paper of the Commission that, inequalities, similar to the ones occurring in the agricultural sectors between CE and EU countries, still exist within the EU itself and the gap is getting wider. The Greek minister agrees that the idea of enlargement has matured but he sets as a precondition the distinct convergence of the agricultural sector within the EU itself and he suggests an increase of the EU funds as the only solution.
Conclusively, it is clear that after the 1992 reform, the CAP has entered a new era that lays the foundations for a new type of rural development. Its declared aims are the increase of competitiveness and the convergence of the EU agricultural sector within the framework of a sustainable rural development. What is not clear is the feasibility of such aims bearing in mind the level and present distribution of the CAP funds, at a time when, priorities of geopolitical importance dictate the EU enlargement by the year 2000 and the full accession of the CECs by 2010. During this crucial period, the EU attempts to increase its power and dares yet another ambitious opening to the “other South”, i.e. non-EU-member Mediterranean countries.

New Mediterranean policy: new and old problems

The conventional relations between the European Community and most non-member Mediterranean countries go back as far as the 1960s. Initially, these agreements only covered business transactions and mainly provided for free access to manufactured goods and special concessions for specific farming products. In the 1970s, their scope was widened but, until then, the Mediterranean policy of the Community had been adopting a traditional approach. It was based, on the one hand, on business concessions and on the other hand, on a financing agreement which followed a classic programme of aid grant but failed to treat the Mediterranean as an entity. The great leap forward was taken at the end of 1989, after the collapse of the Berlin wall and was marked by the beginning of a co-operation among the peripheries and a collaboration with all Third Mediterranean Countries (TMCs) within the framework of the Revised Mediterranean Policy. The results of this policy were not spectacular because it was underfunded. In the 1990s, the new conditions created by economic globalisation and liberalisation of the international markets, conduce to the presentation of the EU”s new Mediterranean policy. During the Euro-Mediterranean Conference in Barcelona (27-28 November 1995), the EU clarified that, in the spirit of the above mentioned policy, its aim was the creation of a stable economic and political framework favouring relations between both sides of the Mediterranean and the materialisation of a Euro-Mediterranean concept of space, thus bringing together the North and the South. The basic axes of the new Euro-Mediterranean co-operation are the following three: delimitation of a common space for peace and stability, economic and financing partnership as well as partnership in the social sector.

The new Mediterranean policy is ambitious but also indispensable when viewed in the light of the changes of our era, i.e. the great powers' realignment and shift of influence. Nevertheless, the feasibility of this policy's success is questionable. Edgar Pisani, a great believer in the idea of united Europe and President of the International Arabic Institute, highlights at least three relevant problems, thus summarising some of his reservations (Pisani, 1995). The first problem is related to the way Europe sees itself since "not only is it not a state, it does not behave like one". Hence, it does not define itself independently but attempts "to suit the circumstances, to meet demands and yield to pressures". An example of such behaviour is the emphasis placed on the CECs and as a result, the relations with the Mediterranean South have been undervalued. The second problem is connected with the "illusion that there will one day be a Mediterranean community" and this statement is particularly significant when made by a man who is deeply aware of the diversity of cultures. According to Pisani, the present Euro-Mediterranean partnership "is a game between merchants, it is concessions, not a policy". The third issue regards the respect to the culture and history of Arabic countries in particular, which should be treated on an equal basis, so that one achieves "co-operation based on partnership and a system of complementary rather than parallel development". Taking these observations into consideration, one can now return to the CAP and its expected impact upon the agriculture of the Mediterranean countries.

As regards the suggested economic and financing partnership, the new EU Mediterranean policy consists of the creation of a Euro-Mediterranean economic region based on bilateral agreements and the establishment of a free trade zone by the year 2010. The formation of this region will have to comply with the new rules imposed by the World Trade Organisation (WTO) regarding the creation of Free Transaction Zones. Within such zones, there will be free movement and customs exemption of manufactured goods. Within the agricultural sector though, liberalisation will need to be gradual with a preferential and mutual access of farming goods to different markets "to the extent allowed by various agricultural policies".

The term "agricultural policies" is a direct reference to the CAP and this paragraph was added in Barcelona, after Greece, Spain and Portugal underlined its necessity, quite justifiably so. The northern member states have, so far, been rather reluctant to develop relations with the TMCs, fearing that the largest share of expenses concerning any additional aid would fall upon them.
At the Cannes European Council (June 1995), it was decided to reduce the support fund to the TMCs by 475 MECUs for the years 1995-1999. The decision was taken under German pressure and despite the suggestions of the European Commission. The final sum to be paid out amounts to 4,685 MECUs, without mentioning a similar amount of loans to be given by the European Investment Bank. The estimated funds appear in Table 2 of the Appendix so that one can compare the terms and conditions of the (unbalanced according to Pisani) economic co-operation among the EU, the CECs and TMCs. Hence, the northern member states argue for the need to support the TMCs by the means of trading concessions, especially in the agricultural sector. The limited conventional relations between the EU and the TMCs improved in view of the accession of Greece (1981), Spain and Portugal (1986). Furthermore, farming goods coming from the TMCs into the EU have been exempt from import duty since 1993[2]. Within the agricultural sector, the Mediterranean member states of the EU face fierce competition from the TMCs and their main competitors are, in order of importance, Israel, Turkey and Morocco. It is anticipated that, within the next fifteen years, Turkey and Morocco will drastically improve their trade position. In view of the gradual further liberalisation of the trading links between the

EU and the TMCs, the Mediterranean member states of the EU seem concerned as they relate these developments to the expected deepening of the CAP reform and the decisive EU opening towards the CECs. Greece, for example, not only favoured but also strongly supported the already thorough approach of the relations between the EU and the TMCs (Corfou European Council, June 1994), yet it is concerned about the new developments. The indirect impact of the above mentioned approach upon Greek agriculture is already noticeable and rather harmful. The frequent mass imports of farming goods from the TMCs create considerable competitiveness with serious repercussions for farmers' income and occupation. The Greek Government's position is that the gradual deregulation of transactions between the EU and the TMCs is essential and should be implemented with increased financial aid, so as to become mutually beneficial. Moreover, the forthcoming concessions should be made after consideration of these negative effects and be based on the principle of complementarity[3].

The Greek government justifiably expressed its concern but, by focusing on the issue of insufficient financial support, it overlooked a far more serious problem: it has been observed that southern member states have difficulties in adjusting to the structural policies of the EU and in fully exploiting them. C. Hadjimichalis concludes that southern regions are facing a triple difficulty. First, EU structural policies are paying attention to the wrong issues dominated by the "gap approach" (lagging southern regions have to "catch-up" with northern western ones and for this reason they need assistance) and a bias towards north-central European "norms" of capitalist development. Second, the very focus of structural policies run contrary to emergent shifts in the geography of production which currently are taking more global dimensions and are, anyway, very limited to compensate the many social and economic difficulties in the south. Third, southern regions lack at present the political power to raise their voice against incoming marginalisation. The latter is related to the legacy of weak civil society, lack of strong local institutions, and the clientelistic practices of the central state (Hadjimichalis,1994). A brief overview of the development of Greek agriculture within fifteen years since the CAP came into effect illustrates this policy's major impact and confirm Hadjimichalis' observations. The almost uni-dimensional price support policy for certain goods encouraged the growth of certain production sectors (arable cultivations, plants for industrial use) at the expense of others (livestock breeding, quality goods produced locally). Moreover, it exacerbated inequalities amongst the peripheries and minimised the interest, previously shown by the EU, for the vital restructuring of some problematic structures within Greek agriculture[4]. The plain, well irrigated regions used for intensive farming greatly benefited from this policy while mountainous and problematic areas used for traditional, high quality extensive farming, were deserted (it is worth mentioning that Greece is the most mountainous country in the EU). Interestingly enough, because of these recent developments, there is a persistent tendency amongst the élite who determine agricultural policy and farmers who were favoured by the above mentioned measures: they strongly oppose any adjustments to the new conditions dominating the international trade of farming goods and which the CAP reform attempts to regulate (Collins et al. 1995).

Even, the CAP reform itself affirms the predominance of northern European views on agricultural development. In a recent study, it was convincingly argued that, if one breaks down the explanation and action logic of regulation 2078/92, one may find an ideal-typical argument of the following kind in it: to reduce overproduction in agriculture and to contribute to more environmentally sound forms of natural resource use, all types of measures to reduce intensity

of production at farm level – from reduction of inputs like fertilisers and agrochemicals (as weak forms) to conversion to organic farming (as a strong form) – will be supported by CAP. This argument reveals the preponderance of "northern problems" and the dominance of rich, northern countries in the EU. Furthermore, it is not a social construction in the sense of socially anchored forms of agriculture but a scientific-bureaucratic construction based on farm management. For example, the EU agri-environmental policy introduces measures into Portuguese agriculture which are targeted for other forms of agriculture. What is extensification in an agriculture which is still dominantly extensive and traditional? Portuguese agriculture faces other problems. The level of population density in the interior rural areas of Portugal has fallen dramatically from 1981 to 1991, social and physical desertification becoming possible. So, the main environmental problems in rural areas of Portugal, and the same applies to some extent to Greece, are caused by giving up land use and by rural exodus. However, these do not fit into the goal structure of regulation 2078/92 which follows the combination of market relief through extensification (Billaud *et al.*,1995). It must be stated that the regulation 2078/92 became operative three years ago for northern member states such as Germany, France, Denmark and others and it has been considerably successful. In Greece however, it is coming into effect this year after some long and difficult negotiations with the authorities of the Community and with its initial budget reduced by 1/4.

This critique formulated from a "Southern" perspective does not lessen though the significance of the agri-environmental measures and their positive impact on future developments concerning rural economy, agriculture, nature and landscape and finally, on southern member states of the EU. Moreover, because one lives in an era when, according to a recent study, "contradictory trends can be observed: the marginalisation of certain areas, while at the same time the "demand" for nature and rural heritage is growing. Over the last couple of years throughout in the southern regions people have been rediscovering mountain leisure activities, today's exceptions – a few scattered and fragile havens of resistance to marginalisation – could become a network of activities meeting emerging economic, ecological and cultural needs, thanks to a more general support scheme" (Bazin *et al*., 1995). However, this "more general support scheme" does not exist up to now. Nevertheless, the package of existing Accompanying Measures is already a decisive step in a process of building a new European policy on rural environment based on sustainable development. They must though be better adapted to the particular conditions prevailing in the South.

Epilogue: the future lasts long

The new Mediterranean policy of the EU is very ambitious. Its long-term goal is to create a wider Euro-Mediterranean region and ensure its peace, stability and social co-operation. Such area would cover almost thirty countries with an overall population of 700 million people and it would host 40% of the world trade. Similar policies adopted in the past had limited results but the reasons for their partial failure are expected to be minimised through the new concept of a Mediterranean entity and the adoption of the principles of mutual benefit, peripheral solidarity and complementarity. It is certain that, by the end of this century, world economy will have a framework thanks to the World Organisation of Trade. With this framework in mind and given the gradual economic deterioration of the Mediterranean countries in 1990, the EU suggests to them a peripheral organisation which will create conditions of prosperity with the aid of the new Mediterranean policy. However, the more ambitious the venture is, the less feasible its

accomplishment becomes. After all, the North-South relations have never been straightforward. A brief overview of the most important EU policy until today, the CAP, and of its applications to its northern and southern member states illustrate the above mentioned difficulties. The designing of the CAP fulfilled the agricultural needs of northern rather than southern states. This tendency is reflected in the rationale of the 1992 CAP reform, despite significant steps taken towards the opposite direction.

On the other hand, the wider geopolitical reasons that led to the new Mediterranean policy dictate the opening of the EU to the CECs. On a competition level, the opening of Eastern Europe, a fertile market for European capitals, could work at the expense of less developed southern regions[5]. Eastern and Southern Europe have, to a great extent, similar economic structures and they will fight for their share in western markets. Central and eastern Europe possesses two basic assets: cheap and well trained manpower as well as huge agricultural production with the possibility of low prices. The emphasis laid on the opening of the EU to the CECs is causing concern among its southern member states while it is heavily criticised by those who believe that such a step jeopardises a more substantial Euro-Mediterranean co-operation.

As a conclusion, it is thought that the CAP reform promises the redefinition of the relations among rural economy, agriculture, nature and landscape in Europe, whereas the enlargement to include central and eastern Europe and the renewed co-operation with Mediterranean countries aim at reinforcing the EU's geopolitical influence. It is hard to predict the future of such large scale policies. On the one hand, the overall and specific objectives, their means of realisation and the prioritisation of such plans are often interdependent. On the other hand, they refer to a geographical area of great socio-economic and cultural diversities at a time of sensitive and ever changing political dynamics. As regards such initiatives, the reservations and concern of the European south and the other Mediterranean countries merely highlight the fact that this future, whatever its characteristics might be, will last long.

NOTES

[1] In almost all the scenarios for European integration, most southern peripheries are presented as agricultural areas, heavily relying on tourism, industrially and technologically underdeveloped. After all, their future is not viewed in a very optimistic way. After a brief period of convergence which lasted until the mid 70s, the inequalities between the member-states and the peripheries increased sharply and in the early 1990s, they slipped back to the 1970s levels (CEC ,1991). The geographical centre of the Union, from the south-east of England to the north of Italy comprises a small number of areas where the GNP per capita was 12% above the EU average, in 1990. On the other hand, Greece, Portugal, two thirds of Spain, Mezzogiorno, Ireland and the whole of eastern Europe had a GNP per capita which was less than 75% of the European average (CEC, 1992).

[2] Nowadays, the only protection or obstacle, for the farming goods when they enter the EU markets, are the following measures: a) duty quotas (e.g. for perishable goods such as oranges, olive oil, flowers, tomato pulp, walnuts, lemons, raisins, etc.), b) reference quotas (coming into effect when a surplus of certain products occurs within the Common Market), c) calendar restrictions (imports at set time limits per product), d) imposition of a flat import rate (for certain farming products, this rate was changed to a duty, after the GATT agreement came into force, and it is constantly decreasing).

[3] All the information about Greece"s official positions and overall policy was given by Mr P. Pesaros, an expert from the Ministry of Agriculture and Head of the Department of EU, International Relations and Trade Policy as well as Ms A. Economou, Secretary of Economic and Commercial Affairs for the Ministry of National Economy. Their help was greatly appreciated and I take this opportunity to thank them.

[4] In 1994, the influx of funds from the CAP reached 3 bio ECUs approximately whereas the Domestic Agricultural Product did not exceed 7.3 bio ECUs. On the contrary, the CAP offered only 14% of the total EU funds reserved for the Greek agriculture towards its structural modernisation. Even these funds did not reach the majority of Greek farmers since the terms and conditions of their use (for instance the definition of the term "farmer") had not taken into account the particularities of Greek agriculture (extensive pluriactivity, small holdings, etc.).

[5] The same concerns are expressed for the increasing competition between the Northern and Southern coasts of the Mediterranean. To give an example, at this regional level, two situations co-exist: a deep crisis in the North Andalusia threatens the survival of artisanal and semi-industrial fishing while, at the same time in the South Morocco development of fishing opens up new economic opportunities. This re-conversion of the fishing sector is hardly followed by the design of EU policies. Most aid schemes that the EU grants to the Andalusian sector go to subsidise the permanent standstill of fishing boats (62,1 MECUs), to the promotion of fishing commercialisation (50,6 MECUs) and to the creation of mixed societies in third countries (44,7 MECUs), while the total

amount for the reorganisation of companies and reassessment of workers is 16,3 MECUs (Suarez *et al*., 1995).

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APPENDIX

TABLE 1. The allocation of the CAP budget

Overall CAP budget	**ECU 35 - 38 billions/year**
Market Support	average ECU 34 billions (95% of above) - ECU 15 billions for direct payments - ECU 19 billions for price support
Accompanying measures	ECU 800 millions for afforestation, early retirement and agri-environmental measures
Structural Policies	ECU 2.8 billions, incl. ECU 460 millions for less favoured areas

Source: Nature Conservation and new directions in the EC CAP-IEEP London- 1993

TABLE 2. Allocation of EU Funds among CEECs and TMCs (mio ECU)

Year	**CEECs**	**TMCs**
1995	1,154	550
1996	1,235	900
1997	1,273	1,000
1998	1,397	1,092
1999	1,634	1,143
TOTAL	6,693	4,685

Source: Ministry of National Economy, Greece, 1995

THE FUTURE OF RURAL AREAS AND AGRICULTURAL ACTIVITIES IN MEDITERRANEAN COUNTRIES

4. Principal issues and prospects for Mediterranean agriculture

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1. INTRODUCTION

The purpose of this paper is (a) to highlight the likely implications of the pursuit of the present approach for the agricultural sector of the Mediterranean countries, (b) to propose some alternative policy lines for the future of this sector.

These issues are particularly important at a time when the inclusion of agriculture into the multilateral system does not seem to be accompanied by a more dynamic and innovative approach of the Common Agricultural Policy and the Euro-Mediterranean Partnership. In what follows the main features of such considerations will be presented.

2. SALIENT FEATURES OF MEDITERRANEAN COUNTRIES

a. Demography

In 1995, total population of the Mediterranean countries was about 420 million people. According to UN projections, it should reach 490 million people by the year 2010 (average 1995-2010 growth rate: 1% per year). The most significant increase will be recorded by both North Africa[1] and Middle East[2] whose combined weight will pass from 52 to about 59% in 2010 (average 1995-2010 rate of growth for the two groups of countries: 1.8% per year). On the other hand, projected 2010 population of the European Union (EU) countries[3] is estimated as staying at the same level as 1995 (at about 175,9 million) with a relative decline from 41.7 to 35.9% of the total mediterranean population in 2010. Finally, the non-EU European countries[4] are expected to grow from 27.4 to 29.5 million people at an average rate of 0.7% per year (over the same period), causing their weight to decline slightly from 6.5% of the total in 1995 to 6% in the year 2010.

b. Per capita gross national product (GNP)

Per capita GNP is extremely different from one sub-group to another, ranging from a maximum of 22,490 US dollars for France to 340 US dollars for Albania (1993 figures). Even within regions the degree of variation from one country to another is remarkable: in North Africa, the available figures show a large difference between Algeria (1780 dollars) on the one hand and Egypt (600 US dollars) on the other, while in the Middle East, Israel with its 13.920 US dollars

per capita is by far the richest country of the region[5]. More or less the same can be said for Cyprus within European non-EU countries.

c. Agriculture in the economy

Among the EU countries the contribution of the agricultural sector to GDP and employment[6] is significant only for Greece (14% and 24% respectively) while most Middle East, North African, and some European non-EU countries (see in particular Albania), are still largely dependent on agriculture, particularly in terms of percentage of labour force employed in this sector. It is interesting to note that the ratio between the percentage of labour force and the percentage of GDP is often in the range of 2% to 3%, largely attributable to the impact of the still predominantly dualistic structure of the agricultural sector.

d. Agricultural trade balances

The Mediterranean region as a whole is a net importer of agricultural products for about 9,5 $ billion (1991-93 average, excluding forest, fish and fisheries products). As can be seen from the following table this deficit is mainly due to North African countries, such as Algeria and Egypt, EU countries such as Portugal and the majority of Middle East countries. The export surplus of France (10,7 $ billion) almost equal the net deficit of Italy (-10,9 $ billion). France is a large net exporter of cereals (+5,7 $ billion) and contributes to the emergence of a small net cereal surplus of the Mediterranean region, while Italy is a large net importer of livestock products (-7,2 $ billion) which accounts for more than 80% of the important deficit of the region for these products. As far as fruit and vegetables are concerned, leaving aside Spain, which is by far the largest net exporter, these products for North Africa and the Middle East are the main commodities generating and agricultural trade surplus, which compensates the large deficits of basic food products. As in the case of demography and per capita GDP, the region shows the highest degree of heterogeneity from the perspective of individual countries. This fact must be taken into account when interpreting data at the global level.

3. INCREASED DEPENDENCE OF SEVERAL COUNTRIES ON WORLD FOOD MARKETS

As can be seen from the charts in the Annex, several countries are becoming increasingly dependent on food imports, as shown by declining cereal self-sufficiency ratios in the three-year period 1979-81 compared to the 1969-71 period. This is particularly true for all North-African countries, several Middle East countries (with special reference to Syria) and both Albania and Cyprus in non EU countries. High population growth rates and increases in consumption, per capita are the two key factors which make food demand grow faster than domestic production. All this, does not mean that individual countries are not making their best efforts to reverse this gloomy picture. Egypt has tried to reduce its cereal imports[7] by stimulating production through a significant change of its price policy and increased use of high-yield varieties. Turkey, the only net cereal exporter in the Middle East has a major surplus country of agricultural products, and has increased efforts to stimulate export of fruit and vegetables. Very much the same can be said for Syria which reverted from a position of net importer (-6.3 $ billion) in 1980 to that of net exporter at the beginning of the 90s (around 185 $ million, corresponding to 90% of its cereal deficit).

Unfortunately, other countries with special reference to Algeria, Libya and Morocco are increasingly dependent on imports (mainly cereals and cereal preparations). Moreover exports of fruits and vegetables from Morocco are facing competition from Spain, which has now ended its transitory period of association to the EU. This fact, coupled with a period of severe drought, has caused a steady decline of exports, thus partially neutralizing the successful exports of fish and fish products.

Major agricultural trading countries in the Mediterranean rim (1991/93)

Exports (FOB) $ billion		**Imports (CIF) $ billion**		**Net Balance $ billion**	
France	34.1	France	23.5	France	10.7
Italy	12.3	Italy	23.2	Italy	-10.9
Spain	9.4	Spain	9.5	Algeria	-2.3
Turkey	3.6	Greece	3.2	Egypt	-2.1
Greece	2.9	Egypt	2.4	Portugal	-2.1
Others	5.6	Algeria	2.4	Turkey	1.7
		Others	13.2	Others	-4.5
Total	**67.9**	**Total**	**77.4**	**Total**	**-9.5**

Source:FAO

4. WORLD PROSPECTS FOR FOOD MARKETS

According to FAO projections[8], Mediterranean countries as a whole would revert to being net cereal importers of about 15 million tons by the year 2010 (from a small surplus of 0,1 million tons). This together with an import requirement of 128 million tons on the part of non Mediterranean developing countries, would amount to a total deficit of 143 million tons for both groups taken together. In theory, filling this gap should not constitute a problem. In fact, taking into account that the central and eastern European countries (CEECs) and the former Soviet Union may eventually turn into a small net exporters, the additional net exports generated by the main OECD exporters will be modest (31 million tons) and certainly in line with their production potential.

Within this framework, it is expected that "non-European" Mediterranean countries (i.e. Middle East and North Africa) will continue to be large net importers, but at levels lower than the present as a result of probable changes in consumption patterns (i.e. diversification of diets toward livestock products[9]). From this perspective, it is not easy to estimate what part of the deficit will be covered by EU countries whose present share is about 30%. Because of the Uruguay Round (UR) agreement it is highly probable that the EU will have less scope of exporting cereals as subsidized prices than heretofore and moreover under the new policy regime dictated by the UR, support to producers (mainly through purchases to sustain prices) will be limited by the ceiling for international prices (the so-called Aggregate Measure of Support or AMS[10]).

Coming to the main agricultural exportable products of both North Africa and the Middle East, namely fruit and vegetables, it can be estimated that Turkey will more than double its net export position (excluding citrus).

As far as other countries are concerned, Morocco is expected to improve its net export surplus of citrus fruits by an extent more or less equivalent to the combined decline of Lebanon and Israel, while for other fruit improvement of the net export position of Morocco and Lebanon is likely to more than compensate for the deterioration of Algeria, Libya and Syria. All in all, it is reasonable to assume that these, as well as other important products of Mediterranean countries like flowers and fish, might benefit from increased competition in developed countries.

5. SOME CONSIDERATIONS ON THE POSSIBLE IMPACT OF THE URUGUAY ROUND

By and large the main agricultural provisions of the Uruguay Round Agreement can be summarized as follows:

– for developed countries product-specific reductions of 21% in the volume of subsidized agricultural exports and 36% in export subsidies over a period of six years. For developing countries reductions should be equal to two-thirds of that for developed countries and should be extended over a period of ten years;

– reduction of 20% in domestic support at aggregated level (13% developing countries); payments not linked to production, such as direct subsidies, which are excluded from

the framework of the EU agricultural reform (reference period: 1986-1988);

– conversion of all non-tariff trade barriers into customs duties (i.e. tarification) and their reduction by an average of 36% (24% over 10 years for developing countries) but by at least 15% of each tariff position (10% for developing countries);

– reduction in customs duties for a given volume to ensure minimum market access for product groups amounting to 3% of domestic consumption initially and 5% thereof in the year 2000.

In general terms, it is the common view that the compromise reached amounts more to a regulation of the agricultural trade rather than to a full liberalisation[11].

However, it must be acknowledged that "for the first time the GATT has succeeded in curbing the escalation of agricultural protectionism in multinational agreements and has even achieved a modest reduction in the level of protection[12].

In this paper it is important to analyse those aspects of the new trade policy regime resulting from the Agreement on agriculture that are relevant to the Mediterranean countries which refer mainly to (a) the likely conditions prevailing on the world cereal markets with special attention to supply-demand balances and international prices, and (b) to the incentives provided to exporters of fruit and vegetables to become more competitive.

No attempt will be made here to estimate the quantitative impact of the UR Agreement, as many studies have already done[13]. As a general note, however, it is worth mentioning that all these studies point to a reduction of between 162 and 198 million dollars in domestic support while export subsidies will pass from 21.3 to 13.8 million dollars.

a. World cereal markets

It has often been stated that the limited trade liberalization of the Uruguay Round would cause a moderate increase in real terms, of international prices of cereals and other products of the temperate zone (i.e. meat, milk products, sugar, etc.). This is the consequence of both reduced quantities of subsidized exports and reduced domestic support in the main exporting countries. An additional element should come from an increasing food demand of Latin America and other developing countries.

At the same time, due to strong disincentives for governments to accumulate stocks to act as buffer and the effects of variations in exchange rates, price instability should increase. This fluctuation is going to adversely affect imports of deficit countries, but as a result of the above mentioned factors, it can be assumed that the supply-demand balance should become more equilibrated at world level (no excess production).

b. Incentives for the fruit and vegetable market

It is well known, that the EU which is a major importer and exporter of fruit and vegetables, has decided to retain a minimum import price regime for fresh fruits and vegetables. This new entry

price system (which is displacing the old reference price system) is likely to become the main obstacle to exports of fruit and vegetables to the EU, from non-member states (see A. Swinbank and C. Ritson[14]). If import prices fall below the entry price for the season, an additional tariff will also be levied.

That means, retaining a high level of protection and, at the same time, penalizing non EU exporters engaged in price competition, since lower costs and prices below the entry prices would be neglected by prohibitive tariffs.

6. IMPACT ON THE MEDITERRANEAN COUNTRIES

According to these considerations it can be concluded that the overall impact of the UR Agreement on the agricultural markets of the Mediterranean countries might be negative for their trade balance with the present flow of trade.

On the one side European countries will be required to reduce subsidized exports[15] and increase imports of products for which "community preference" is lower than that for non EU products ("minimum entry price")[16]; on the other hand North African and Middle East countries showing a deficit will have to face a higher import bill for food commodities and the erosion of preferences in the EU markets to the benefit of countries outside the Mediterranean area. This situation explains the attempt of several Middle East and North African countries to maintain the levels of protection and relative support to their producers as against the general liberalisation trend implicit in the UR Agreement.

At the same time, both the EU and the Middle East and North African countries have moved towards an approach of "reciprocal protection" with the main objective of (a) on the part of the EU to maintain its presence on the food deficit markets, (b) on the part of the Middle East and North African countries to reaffirm their privileged access to EU markets.

This move towards the so-called "bilateralisation of the multilateralism"[17] has found its logical outcome in the EU proposal for a European partnership agreement, where, not surprisingly, agriculture plays a marginal role[18].

In fact, the objective for the agricultural sector is supposed to be subordinated to the main general one, that is the gradual liberalization of trade relations. Agriculture, from this perspective, will strengthen this process, providing a preferential and reciprocal access of agricultural products of interest to both parties[19]. If this process should materialize, what does it mean for the future of the Mediterranean agriculture? What are the implications for the largest share of agricultural producers, particularly in North African and Middle East countries?

7. SIMILAR POSSIBLE CONSEQUENCES OF THE EURO-MEDITERRANEAN APPROACH TO THE AGRICULTURAL SECTOR

It is certainly not possible to identify all the economic and social consequences of the above-mentioned Euro-Mediterranean approach for the future of the agricultural sector. What follows, therefore, is a presentation of the possible main socio-economic consequences of such a strategy.

a) Consolidation of the so-called "uniqual exchange" model between EU and the North African and Middle East countries, through:

i. reconstitution of a preferential system for typical export products of North Africa and Middle East countries, eroded by the Uruguay Round Agreement (mainly fruit, vegetables and olive oil);

ii. preservation of tariff reductions granted by North African and Middle East countries for the benefit of EU countries for traditional imports (mainly food commodities);

iii. increase food dependence of the North African and Middle East countries, with consequent deterioration of the trade and current balance;

iv. crystallization of the "old" international division of labour.

b) Reinforcement of the dualistic structure within Mediterranean agriculture (with particular reference to North Africa and the Middle East), through:

i. adoption of capital intensive techniques in most modern and large-scale farms of fertile plains and coastal areas of these countries at subsidised operating costs (this is particularly true for irrigation and access to agric inputs[20]);

ii. neglecting of the needs of the large majority of small holders (particularly in rain fed areas) to get access to basic inputs (despite some isolated help from the governments in recent years). As a result, the techniques adopted in this sub-sector tend to remain traditional and yields are often half those of the modern sector;

iii. incentive for traditional farmers to continue the urbanization process exacerbating the employment problem (already penalised by the seasonal character of agricultural work);

iv. disincentive to introduce structural reforms, with special reference to land tenure and the education system.

8. PROPOSALS FOR A NEW MODEL ON AGRICULTURAL DEVELOPMENT

Keeping in mind the above-mentioned shortcomings of the Euro-Mediterranean partnership, it is necessary to identify possible areas of improvement, that incorporates one of the major objectives of such a partnership, that is the creation of a free-trade area[21]for all products encompassing EU countries and TMC (Third Mediterranean Countries). These improvements should allow both EU and TMC to take full advantage of the abolition of trade barriers. In particular, the TMC should adopt supply-side policies leading to: a) the modification of the "terms of trade" between the urban and rural sector; b) an effective product diversification to be considered as a condition *sine-qua-non* for the development of an autonomous agro-industry.

The modification of the terms of trade in favour of the poor rural areas would create the basis for the development of their own internal market as an indispensable prerequisite for the growth of the export sector. At the same time, this move would lay the basis for tackling employment

problems leading to positive repercussions in both agricultural and non-agricultural areas.

From this viewpoint, the role of the EU should be one of supporting the restructuring of the traditional sector of North African and Middle East countries through: a) granting concessions for market access specifically focused on products coming from this sector; b) improvement of conditions of access to agricultural inputs by the traditional farmers, by way of specifically targeted programs. Special consideration should be given to the problem of unequal access to water for agricultural uses. Usually, in the modern sector, capital-intensive irrigated agriculture consumes the bulk of water availability spread across a small portion of total land[22] at very subsidized prices, which means water under-utilisation with unacceptable social costs.

Methods are far more primitive and labour-intensive in the uplands, where the uneven rainfall results in erratic harvests. The EU should encourage domestic policies aimed at putting all farmers on an equal footing *vis-à-vis* water use[23] and provide financial help for capital investments in small-scale agriculture.

Another major constraint to enhance productivity in rural areas of the North African and Middle East countries is the largely unresolved issue of land reform. Land is still often owned collectively and, even when privately owned, is subject to inheritance practices which intensify subdivision and fragmentation. In most cases, land holdings are under 5 hectares, with only a small fraction of farms over 50-60ha[24]. A generalized and effective land reform policy should therefore be carried out with this help from EU countries. An important complement to the above-mentioned actions relates to the educational policy. In order to discourage peasant farmers (especially the young) from moving to urban areas with the well-known social problems associated with the urbanisation process, differentiated didactical programmes for urban and rural students should be drawn up. In the context of a new and more dynamic concept of Euro-Mediterranean partnership, the Community should explore ways and means to support such an approach.

Finally, as far as diversification is concerned, there is no doubt that the trade preferences granted under the Euro-Mediterranean Agreement are not conducive to the diversification process. On the contrary, they lead to the consolidation of the traditional model to trade (despite the alleged official encouragement to diversify agricultural production).

Moreover, on the domestic side, the incentives provided to farmers to diversify agricultural production have been often neutralized by the offer of guaranteed prices for traditional crops (i.e. fruit, tomatoes, olive oil, etc.).

There is a need, therefore, to devise a policy able to implement a real diversification process, which at the same time makes coherent use of the potential of each individual country of the Mediterranean area. A first step could be the implementation of Structural Adjustment Programmes on a sub-regional or regional basis to avoid the “fallacy of composition” problem. This approach should *inter alia* permit the identification of “hidden” complementarities from productive point of view and activate intra-regional trade flows within third mediterranean countries.

In the medium or long term, the above-mentioned changes to the Common Agricultural Policy

(CAP) and, consequently, to the Euro-Mediterranean Agreement, would be eventually in the interests of the EU farmers and would also lead to the attenuation of regional disequilibria. After all, it is no mystery that the present EU trade concessions are made at the expense of areas at lower level of development, such as Sicily, Calabria, Campania, Andalusia, Corsica, Crete and so on.

Therefore, as a complement to the proposed policy for South Mediterranean countries, the EU strategic approach should focus on those producers of rural areas in Greece, Spain, Portugal and Southern Italy that are only slightly supported by the CAP.

These producers who certainly will suffer less from trade liberalisation than those who have traditionally concentrated their production in heavily supported commodities, will nevertheless need help to become competitive and remain in agriculture (i.e. avoid emigration).

The policy goal, from this point of view, should aim at:

– improving living conditions and decreasing inequalities in the distribution of agricultural income in rural areas;

– creating alternative activities leading to "on-farm production of a mixed output consisting of new products and services, including those of non-agricultural nature" (Damianos and Hassapoyannes)[25].

If this approach is to be qualified as integrated sustainable rural development, it requires the implementation of additional measures to those already foreseen by the common Structural Policy for Objective 1 and 5b areas, which should include:

1) Redistribution of land, with a view to securing economies of scale.

2) Equal access to industrial inputs for low-income farmers.

3) Incentives for mechanization and collective use of mechanical equipment[26].

4) Creation of a balanced irrigation system aimed at serving both large and small farms.

5) Incentives for an environmentally sound management of agricultural activities.

9. CONCLUDING REMARKS

The above presentation permits the conclusion that the future of Mediterranean agriculture and the present uncertainties surrounding its prospects are more dependent on the form that domestic policies of both EU and Third Mediterranean Countries will take than on the re-orientation of trade flows (and related dismantling of trade preferences) consequent to the implementation of the Uruguay Round Agreement. The main thrust of these policies should focus on the traditional sector of the Third Mediterranean Countries and likewise, on the rural areas of EU countries along the lines mentioned in this paper. This does not mean neglecting the modern agricultural sector which at present provides the bulk of monetary receipts. On the

contrary, it means keeping the growth of this sector in line with the objective of reducing the dualistic structure of the agricultural sector.

In view of the complexity and heterogeneity of the economic system of both Maghreb and Middle East countries, the suggested re-orientation of the CAP and the related Euro-Mediterranean approach in favour of the largest and poorest segment of the agricultural population is going to prove a tremendous challenge for the future. To facilitate the success of such an enterprise, the Community should try to complement national efforts with a “country-by-country” support. This co-operation package should include not only financial resources but, more importantly, transfer of knowledge and experience of the rural people of EU countries to the rural farmers of the Third Mediterranean Countries. If successful, this move could represent the start of a more balanced and equitable agricultural development pattern with beneficial effects for both modern and traditional agricultural systems.

NOTES

[1] North African countries are the following: Algeria, Egypt, Libya, Morocco and Tunisia.

[2] Middle East countries are the following: Israel, Lebanon, Syria and Turkey.

[3] France, Greece, Italy, Portugal and Spain.

[4] Albania, Cyprus, former Yugoslavia and Malta.

[5] Were estimates for Syria and Libya taken into account, the degree of variability would be even higher.

[6] Percentage of labour force employed in agriculture.

[7] This consideration applies also to Tunisia.

[8] See, "Mediterranean Countries and World Food Markets, paper prepared for the seminar GATT and Agricultural Trade", by Nikos Alexandratos, FAO, Roma.

[9] Albeit not desiderable from a nutritional point of view.

[10] For more details, see N. Alexandratos, op. cit.

[11] For instance, aspects of quantitative management of both imports and exports of agricultural products are legitimised.

[12] See Monika Hartman, "New Developments in International Agricultural Trade" in Intereconomics, March/April, 1995.

[13] See, for example, FAO, GATT, Goldin, Ingeo, ecc.

[14] A. Swinbank and C. Ritson, "The Impact of the GATT Agreement on EU fruit and vegetable policy", Food Policy, Vol. 20, n. 4; 1995.

[15] In this connection, it is also worth mentioning the so-called "Andriessen Clause" by which exports of community beef meat to selected Pacific countries is forbidden.

[16] This applies mainly to producers of fruit and vegetables from France, Italy, Greece, Portugal. In particular, Mediterranean EU producers are going to face increased competition into the EU markets.

[17] See, for a detailed treatment of this approach, Albert Massot Marti, "Marchés mondiaux, marchés communautaires et marchés méditerranéens après l'Acte Final du cycle d'Uruguay: la poussière du passé face aux vents de la libéralisation agricole",

Chaina, Greece, 4-5 Dec. 1995.

[18] The largest share of trade flows between EU and Middle East/North African countries refers to manufactured goods (66% of the total trade) and not to agricultural ones.

[19] See COM (95) 72, point 2.1.1.

[20] Farmers finance usually only a small proportion of the capital and operating costs of the irrigation system. The problem of water is particularly acute in Jordan, Morocco, Algeria and other NA countries. In all these countries the highest consumption takes place in irrigated agricultures. Large irrigation projects, and private wells are the chief sources of the irrigated farm waters.

[21] The so-called Euro-Mediterranean Free Trade Area.

[22] In Jordan, for instance, about 6 per cent, or 528,300 ha of land area is cultivable. Of this, only 40.000 ha is irrigated. However, by far the highest consumption of water is taking place in this type agriculture (especially in areas centred in the Jordan valley).

[23] In other words, everybody should pay the same price per cubic meter of water used.

[24] In other cases, like in Algeria, the opposite is true. In this country governemental policy concentrated on dividing large estates into smaller and more manageable units. The redistribution of land, however, was not without problems and there has been a continual need to modify, accelerate and improve reforms to the system.

[25] See “Mediterranean European Countries (MEC) strategies in relation to the Final Act of the Uruguay Round”, Chania, Dec. 1995.

[26] Excluding any approach leading to subsidization of capital cost, as already mentioned for water use in marginal areas of mediterranean countries.