

Missing Development Opportunities on the EU's Southern Border

José María López-Bueno¹

Introduction

According to Kennan's long telegram, permanent peaceful coexistence between the democratic 'West' and the communist 'East,' (led by the Soviet Union), was next to impossible (Kennan, 1946). However, similar to Soviet 'official statements,' Kennan's assumptions were thinly veiled propaganda, meant for domestic consumption. In hindsight it is clear that despite the multitude of crises, socio-political and economic shocks and disturbances, the relationship between the 'West' and 'East' was unlikely to have degenerated into an open and direct confrontation. The end of the Cold War did not bring about universal peace, but rather witnessed the emergence of another fault-line, one based more on political identities than geopolitics, but still pointing to a supposedly inevitable conflict. This time the line of impossible coexistence runs along the border of the Islamic world and a new, expanded 'West' which includes the 'traditional West' (the US, Canada, West European states, NATO), former Warsaw Pact countries (re: Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria) and some post-Soviet states (Latvia, Lithuania, Estonia). As Huntington indicated as far back as 1990, we can expect a clash between Islam and the West.

But is this true? For many, especially following the September 11th 2001 terrorist attacks, the answer is an obvious 'yes.' When Huntington spoke of a 'clash of civilizations,' this clash was meant to begin along the 'bloody borders' demarcating – awkwardly – the dominant Judeo-Christian West from the Islamic world (Huntington, 1993). However, New York, London, Bali and Madrid are located a significant distance from Huntington's border zones. These cities may be considered symbols of the West for Islamists, certainly, but they do not form, or remain part of, a geographical boundary butting against the Islamic world.

¹ José María López-Bueno is Associate Professor at the Universidad de Granada and President of the Foundation for Hispano-Moroccan Socio Economic Development (FHIMADES) and may be reached at: jlbueno@ugr.es.

Huntington supposed that the actual borders between Europe and the Islamic world, those which run through the Balkans (Bosnia, Kosovo) and between Greece and Turkey, would be the main confrontational line. While this was relatively accurate for more than a decade of armed violence in and among former Yugoslavian peoples, or even on the Caucasian border of Russia (e.g. Chechnya), Turkey's status as an active NATO member and EU candidate stands directly opposed to Huntington's proposition. But the European borders separating the West from the Islamic world are not only to be found in the wider Balkan region: at the western end of the Mediterranean Sea, the EU has two additional physical contact points to Islam, the Spanish (and hence EU) cities of Melilla and Ceuta which are located on continental Africa, surrounded on three sides by Moroccan territory and one side by the sea. While these Spanish cities have historically bore witness to occasional incidents of organised political violence, and despite the continued differences (socio-economic, political and cultural) between Spain and Morocco, they are important generation stations for regional employment and development. Melilla and Ceuta, unlike New York, Madrid or London, comprise part of a physical land border between the West (as represented by the EU) and the Islamic world.

The Maghreb-Europe Neighbourhood

The EU's southernmost border is not the Mediterranean Sea: since the 15th century (CE), Spain populated two cities in North Africa – Melilla and Ceuta – just across the Strait of Gibraltar. The borders produced by these cities are nevertheless questioned as Morocco claims both as its territory, and they have been a source of numerous political disputes (internal, bilateral and multilateral) since Morocco's independence (1956). Being part of the internationally recognised and sovereign territory of Spain, and having been fully integrated within Spain's administrative and political structures, both cities entered the (former) EEC with Spain (1986). Therefore, all EU policies are applied to both cities (with exception to the Customs Union and the Common Agricultural Policy).

In 2004, the EU expanded from 15 to 25 members. This enlargement brought obvious changes to the EU map, with new frontiers in the East and South, and encouraged the launch of the EU's European Neighbourhood Policy (ENP) which would form the backbone of the EU's foreign relations to the bordering states and regions. Importantly, the ENP's objective is:

(...) to share the benefits of enlargement with neighbouring countries in strengthening stability, security and well-being for all. By drawing countries into an increasingly close relationship with the EU, it can create a 'ring of friends' and prevent emergence of new dividing lines (European Commission, 2004; 2).

Moreover, the ENP literally ascribed the European Security Strategy (ESS) goal of promoting of ‘a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations’ (European Council, 2003; 9).

The ENP, however, cannot be easily applied to the EU-North African border since Morocco denies any official recognition of Melilla and Ceuta, and restricts their ability to promote EU projects. As a result, not a single project from the EU’s allotted €12,000 million budget for ENP activities has gone to the areas of Melilla and Ceuta and the adjacent Moroccan towns and cities. This blockade could be interpreted as the result of bilateral tensions, between an EU member and its Mediterranean neighbour, over the final status of the latter’s post-colonial territory. Alternatively, something else may be driving this blockade since this border conceals the largest income-per-person difference between neighbouring countries in the world; other than the difference between North and South Korea. Paradoxically, this border is one of the areas where ENP objectives could be achieved since, contrary to acts political showmanship which highlight differences and problematics, relations between Melilla, Ceuta and their Moroccan neighbours are fluid, and a multitude of peaceful, mutually beneficial, daily exchanges occur.

Rich Neighbour, Poor Neighbour

The GDP gap between the Mexico and the US is averaged at a ratio of 1:15 and in Europe the difference between Bulgaria and Greece is 1:9. Between Morocco and Spain this difference is 1:19.50. Even if measured in terms of Gross Income per capita or Purchasing Power Parity per capita (PPP), the difference between Spain and Morocco exceeds the other cases (Table 1).

Table 1

	1. GDP (US \$ millions)		2. Gross Income per Cápita (US \$ millions)		3. Purchasing Power Parity (PPP US\$)	
		A/B		A/B		A/B
Spain	1,429,226		29,450		30,820	
Morocco	73,275	19.50	2,250	13.09	3,990	7.72
USA	13,811,200		46,040		45,850	
Mexico	893,364	15.46	8,340	5.52	12,580	3.64
Greece	360,031		29,630		32,330	
Bulgaria	39,549	9.10	4,590	6.46	11,180	2.89

Source: World Bank. 2007

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>

Outside of Europe we can see similar differences to those observed between Spain and Morocco; at Israel's border with Jordan (1:10.22); and Syria (1:4.25) (Table 2). Even when compared to these cases however, the Spanish-Moroccan difference remains larger.

Table 2

	1. GDP (US \$ millions)		2. Gross Income per Cápita (US \$ millions)		3. Purchasing Power Parity (PPP US\$)	
		A/B		A/B		A/B
Spain	1,429,226		29,450		30,820	
Morocco	73,275	19.50	2,250	13.09	3,990	7.72
Israel	161,822		21,900		25,930	
Jordan	15,832	10.22	2,850	7.68	5,160	5.03
Israel	161,822		21,900		25,930	
Syria	38,081	4.25	1,760	12.44	4,370	5.93

Source: World Bank. 2007

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>

Such economic differences on the border of two states with different historical and cultural backgrounds (one Western and the other Islamic) may seem to many, like Huntington, to form a 'West'-Islam hot spot similar to present-day Israel; yet it is not, at least for the time-being. Indeed, quite the opposite seems to be taking root.

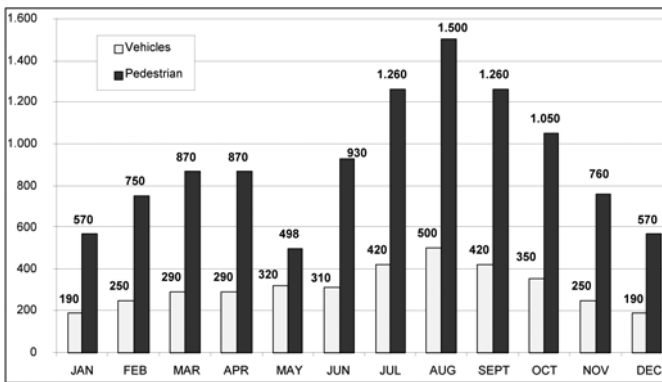
Cross-Border Development

Melilla has, despite the ENP funds blockade, become a pole for development, which radiates wealth to surrounding Morocco. The border between Melilla and Morocco has many of the requirements that theories of regional economic development established over the last 50 years such as those of cluster and spatial agglomeration; concentrated population; legal and administrative synergies; availability of capital and financial instruments; high concentration of transport infrastructures; and finally, fluid and informal social relations (Mocanyo Jiménez in Toral Arto, 2001; 32. Espínola Salazar, 1999. Krugman, 1991; 483–499).

As Chart 1 (below) indicates, the high crossing rates of this frontier is an indication that it provides benefits for the citizens that cross it; if it did not, they of course would not cross it, considering the official political differences between these countries. Indeed, thousands of Spaniards and Moroccans cross

the Melilla-Nador border on a daily basis. Since there is no official support for these exchanges, the reason for such high rates may be found in personal benefits that Moroccan and Spanish citizens glean. Nevertheless, since its independence, Morocco has maintained a political demand to obtain sovereignty over Ceuta, Melilla and a few small islands off its Mediterranean coast. This enduring dispute – a constant companion to the state of Hispano-Moroccan relations – has never been heard at any international court, (i.e. the International Court of Justice), and is classified by some authors as a dialectic tradition between these two countries (Ballesteros, 2004).

Chart 1: Number of People Crossing the Spanish-Moroccan Border in Melilla (in thousands)



Source: Fhimades, 2009.

At times, these conflicting claims have resulted in bilateral crises between Spain and Morocco. For instance, in 2001/2 after several months of mutual accusations and provocative behaviour – including the occupation of the small uninhabited island (*Isla de Perejil*), first by Moroccan troops and a week later by Spanish commandos – the intervention of (then) US Secretary of State Collin Powell was needed to restore the pre-crisis status quo.

Political differences and sovereignty issues have not precluded the development of a healthy relationship – including a multitude of exchanges – along the border with Melilla. These relationships directly challenge Morocco’s official discourse about the negative influence of Melilla on its Moroccan surroundings.

Recent scholarship on the socio-economic impact of these border relationships conducted by the *Universidad Francisco de Vitoria* (Madrid) for the *Fundación para el Desarrollo Socioeconómico Hispano-Marroquí* (Foundation for Socio-economic Development Hispano-Moroccan, FHIMADES) clearly states that ‘there are clear indicators of economic dependencies, among others, of trade relations, labour and services at this border that demonstrate the

positive effects resulting from the flows of goods between two neighbouring regions' (FHIMADES, 2008; 64). Although the study was limited by its lack of many key official statistics, it points out numerous relationships that support the above statement, as the influence of imports to Melilla and its positive effect on Morocco's GDP; 'if the rate of imports in Melilla increases 1%, Morocco's GDP growth rate increases approximately 0.20%; therefore; international commerce in Melilla promotes economic growth in Morocco.' The impact of Melilla's imports on Morocco's GDP is manifest through trade with Melilla, much of which takes place through informal channels. These relations – questioned by Moroccan officials and certainly in need of serious improvements in many ways – are set to undergo a profound restructuring after 2012, when the Free Trade Agreement between Morocco and the EU will take full effect.

The findings of this research do not only refer to trade. There are many other interactions along this border that produced wealth and individual benefits for the citizens involved. For example:

(l)eaving aside the peculiarities of the informal or atypical trade, there is empirical evidence, provided in this report, and arguments provided by economic theory to demonstrate the positive effects resulting from the flows of goods between two bordering geographical areas ... The gap between the two economic areas is a driving factor in this particular trade that promotes socio-economic relations in general. The benefits are mutual, Melilla is a market that favours the expansion of its business and trade has made Nador an economic engine, with multiplier effects on the rest of Morocco's economy. This is demonstrated, among other facts, by the rapid population growth in Nador, the progression of port traffic, the development of its financial system, the role of indirect tax revenue, among others (FHIMADES, 2008; 77).

These findings are consistent with previous Moroccan studies and publications that expressly stated that 'due to certain economic development projects in the 1970s, and taking advantage of its proximity to Melilla, Nador has increased its momentum and has become a pole of regional development' (Abbou et al. 2003; 33). In fact, Moroccan authorities recognize the importance of maintaining a relationship to Melilla for Nador's social and economic structure and have clearly noted that it is not possible to speak of 'trading structures in the province of Nador without mentioning Melilla and its impact on the regional economy' that '... supports, directly and indirectly, approximately 25 % of the population of the province of Nador' (Ministère de l'Intérieur, 1989).

Other parameters analysed, such as the progression of Nador maritime traffic, the development of its financial system or tax revenues (75% of Morocco's *Region Oriental* tax revenues came from the province of Nador), are examples of these relations and point to further positive effects; stemming from Nador, to other regions of Morocco.

Urban Agglomeration and Regional Development

There are many theoretical models which are designed to explain reasons driving the development of a given region or country. To avoid a review of more than two centuries of fundamental concepts and theoretical models (accumulation of capital, competency models, etc) Krugman's theory is deployed as an adequate model which largely consolidates previous models, from both economic theory and economic geography. For Krugman (among others) trade, specialization, and competition, tend to form patterns of agglomeration feed with external economies and innovation. This process is complemented by the distribution of economic activity and the relations established in a given spatial agglomeration, with almost self-feeding returns (Martin and Rogers, 1994; 34). Complementing this approach with other models that include the public sector as provider of infrastructure, enhanced cost reduction processes and improved productivity derived from these close exchanges, we can reason that the formation of clusters is, if not unavoidable, at least very close to economic development. As demonstrated below, around the cities of Melilla and Nador, in addition several relationships, beyond the economic realm, further contribute to reinforcing the agglomeration phenomenon.

Employment and Healthcare

Because of their geographical proximity, Nador and Melilla are 'natural partners' (Krugman, 1993; 110). There is a series of conditioned relations mainly due to their geographical proximity (15 km) and the distance to their respective capitals (more than 500 kilometres) which promote neighbourly relations. Beyond economic indicators, these relations are manifest because they represent clear personal opportunities for this border neighbourhood. Nearly thirty thousand Moroccans cross the border into Melilla each day for the purpose of searching for employment opportunities, healthcare, education and services that they either cannot find in Morocco or are simply found in greater abundance and condition in Melilla.

According to Melilla's *Oficina de Extranjeros* (Non-citizens and Immigrants Office) in July 2008 there were 2,344 cross-border workers, a sum that could be enlarged by at least 25% owing to illegal workers.² 95% of Moroccan workers in Melilla are employees who benefit from a Work Permit for specific cross-border employment. Given the location of the city, this status – an exception within the EU and Spanish visa and work permits regulations – gives employees several rights, such as free health care, in Melilla; as will be further explored below.³

² According to research conducted for the *Consejería de Economía, Empleo y Turismo* (Economic, Employment and Tourism Counsellor), illegal or 'hidden' employment is around 25% in Melilla. This figure is represented predominately by Moroccan cross border people working in construction and services.

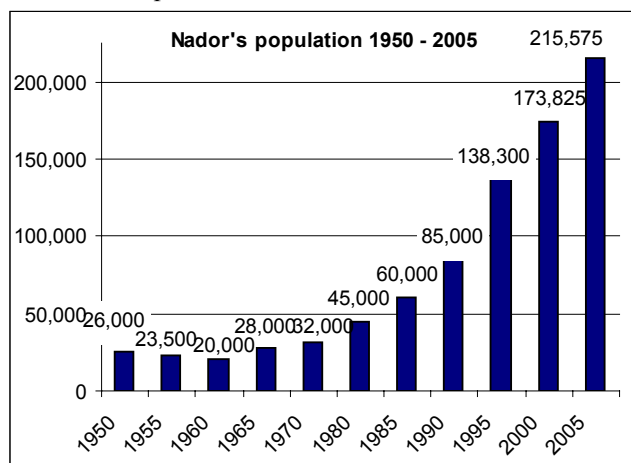
³ These exceptions are embodied in the Spanish legal body after the enactment of *Real Decreto* (Royal Order) n^o 2393 (December, 30th 2004).

With a population of nearly 70,000, the number of cross-border workers alone would not explain the unusual high statistics of sanitary assistance provided by Melilla's Hospital. However, it illustrates some benefits that extend beyond this EU city. At Melilla's Hospital, 15% of emergencies, 25% of dialyses and more than 45% of deliveries are made to 'non-resident foreign patients', a bureaucratic term to refer to Moroccan citizens. According to some sources, statistics at the Melilla's Hospital would be equivalent to a centre serving a population between 300,000–350,000 people (*Diario de Valencia*, 2005). As discussed below, many of these figures can easily be explained by the Moroccan population concentration proximate to Melilla in the province of Nador.

Melilla is also a point of attraction for Moroccan citizens searching for higher education such as the University of Granada and the *Escuela Hispano Marroquí de Negocios* (Spanish-Moroccan Business School). In the latter institution, Moroccan students represent nearly 50% of total graduates since 2004.

There is an even more graphic data set that shows the weight of Melilla as a central regional developmental pole. Nador, situated more than 500 kms from its economic and political capitals of Rabat and Casablanca, poorly connected by road and, until July 2009, with no railroad connection to the rest of the country, has seen its population multiply 10-fold over the past 50 years. As Chart 2 indicates, over the same period, Morocco's total population has only increased by three-fold.

Chart 2: Nador's Population 1950–2005



Source: Ministère de l'Intérieur, Direction de l'Urbanisme de l'Aménagement du Territoire et de l'Environnement. Schéma Directeur d'Aménagement de l'Aire Urbaine de Nador 1985–2005.

Nador belongs to the so-called *Region Oriental* (Eastern Region), which produces Morocco's greatest number of émigrés. With insignificant economic

structures, its proximity to Melilla and the exchanges at the border may help explain such an agglomeration and subsequent population growth.

Population, Growth and Agglomeration

Nador was founded by Spain in 1909 to serve as a military camp for the defence of Melilla. In contrast to older Moroccan cities such as Tangier, Fez or Oujda, Nador has a short history linked directly to Melilla. However, in only a century, Nador has grown at rates three times Morocco's national average, and has generated a circle of satellite towns with an outstanding aggregated population nearing 300,000 inhabitants in a 25 km radius (Table 3).

Table 3: Nador's Main Suburban Villages

Seghanghan	20,181
Ihddaden	25,480
Bni Chikar	4,188
Taouima	6,909
Farkhana	10,994
Selouane	9,211
Kariat Arekman	5,266
Beni Enzar	31,800
Arouit	36,021
Nador	126,207
	276,257

Source: Chambre de Commerce d'Industrie et des Services de Nador. Nador, 2007. Recensement Général de la Population et de l'Habitat de septembre 2004. <<http://www.statoids.com/yma.htm>>.

This conurbation has also registered outstanding growth rates over the last decade with an average population growth of over 25% between 1999–2004 (see Table 4).

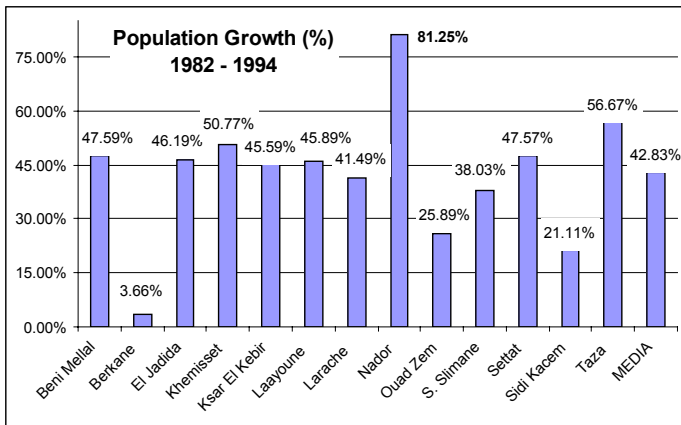
Table 4: Population Increases 1994–2004

	1994	2004	%
Nador	112,450	126,207	12.23%
Arouit	27,047	36,021	33.18%
Beni Enzar	23,897	31,800	33.07%
	163,394	194,028	26.16%

Source: Chambre de Commerce d'Industrie et des Services de Nador. Nador, 2007. Recensement Général de la Population et de l'Habitat de septembre 2004. <<http://www.statoids.com/yma.htm>>.

This however, pales compared with the previous decade growth rates as Morocco's Administration recalls. Between 1982 and 1994 Nador's growth was nearly twice the average growth of similar cities in Morocco (see Chart 3). During this period, the population grew from 62,000 to more than 112,000 inhabitants, revealing a growth of 81%. The majority (74.4%) of these, estimated at more than 50,000 people, is based on internal migration (*Haut Commissariat*, 229; 15).

Chart 3: Population Growth 1982–1994



Source: *Haut Commissariat au Plan Recensement Général de la Population et de l'Habitat*.

As noted, ‘taking advantage of its proximity to Melilla, Nador has increased its momentum and has become a pole of regional development’. But, is there really something noteworthy? Is not this just another example of the opportunities created across borders and that, among other reasons, are based on the confluence of different price levels, regulatory frameworks, which complement, among other things, financial systems, networks and infrastructure concurrency? Is it not the case, for example, between US and Mexico on the San Diego-Tijuana border? The answer is yes, though there is an important difference: the Spanish border with Morocco (in Melilla) forms a border between Western Europe and the Muslim Maghreb. Therefore, further exploration of this border will help identify crucial issues for EU policies and approaches.

The EU-Maghreb Border Neighbourhood

This border between the West and the Muslim world is unique for several reasons. Since Morocco's independence (1956), neighbourly relations have only been politically disrupted, for reasons often far removed from the people in Nador and Melilla, such as: the 1973 cholera epidemic, attempted *coups d'état* in Morocco in the early 1970s, political discussions between Madrid and Rabat over fishing rights and/or trade agreements, and more recently by the swelling of sub-Saharan African immigrants attempting to enter EU territory. Not until the last quarter of 2008, have there been incidents at Beni-Enzar, the main border control-post, which was caused by local Moroccan carriers of merchandise; although these incidents occasionally disrupted the usual flow of goods and people through the post, they have not yet affected the relationships between the citizens living in the region.

More than 50 years of neighbourly relations between the people of Nador and Melilla may act as an example; to demonstrate is that at least one border between the 'West' and Islam is not, as Huntington claimed, necessarily bloody. While there can be no denying that this border area was the scene of politically motivated violence in the first quarter of the 20th century, it is noteworthy that Europe itself was in the throws of political upheaval and it would be unfair to examine this particular border through the lenses of political or cultural tensions while ignoring the global situation. As the situation in Europe was resolved – post-1945 – the border between Melilla and Nador also settled into a period of 'normalisation.' Additionally, this neighbourhood may be guided by the peaceful coexistence of a multitude of religious and cultural groups in the city of Melilla itself. Catholics, Muslims and Jews, among other religions, have lived in this city of (approximately) 75,000 inhabitants for decades and a quick view at Melilla's school calendar confirms this coexistence well as it observes the main religious holidays of each denomination.⁴

Although currently, there are similar examples of such coexistence in many European cities such as, London, Paris, Brussels and Berlin – mostly following the decolonisation processes of the mid-20th century – in the case of continental Spain, this is quite a recent phenomenon. The image of children of different religious denominations sharing classrooms and desks is a phenomenon that, in mainland Spain, has been visible for barely a decade. In Melilla this occurred much earlier. A small, but still important example is the case of the selected catholic *La Salle-El Carmen* school where, in the mid 1970s – with Franco's dictatorship still holding the reigns of power – the current 2nd Vice-President of the Regional Government of Melilla, Abdelmalik el-Barkani was elected the

⁴ Melilla has 9 churches, 6 synagogues, a Hindu temple and 14 mosques, the first of these was built by the City Council in 1945.

students' delegate for his class; a class comprised of a majority of Catholics and many Jews and Muslims.

Coexistence within Melilla, influenced by the reality of its geographical location and its demographic composition, is largely regarded as normal, and has only been altered for political reasons such as with the introduction of Spain's new Non-Citizens Act in the 1980s. At that time, many residents of Moroccan origin in Melilla lacked Spanish nationality, and the initial uncertainties of legal procedures and opportunities for acquiring nationality were manipulated by some local politicians for electoral reasons. Once the issue was remedied, all attempts to mobilize Melilla's Islamic population based on their ethnicity or religion has, until the present, seen very limited success. Over the past twenty five years, aside the short periods of local coalitions, the Melilla Regional Assembly has been ruled by the two main Spanish political parties: *Partido Popular* (PP, Popular Party) from 1991 to 1997 and again since 2000 to the present; and *Partido Socialista Obrero Español*, (PSOE, Labour and Socialist Spanish Party) from 1981 until 1991. Since Melilla's Muslims make up nearly a third of the total population, if they were politically motivated solely on the basis of their religious affinity, their weight in the Assembly would be higher than the 22% that *Coalición por Melilla* (lead by Mustafa Aberchan) obtained in the 2007 regional elections.

Remote Neighbours

Peaceful coexistence – among citizens of different religions in Melilla and between the city of Melilla and its Moroccan neighbours – has been heavily influenced by the geographical remoteness of Melilla from continental Spain (and Madrid), and the distance of Nador from Rabat and Casablanca. Nador is located in the so-called Rif, the northern region of Morocco that early in the 20th century rose up in arms against Spain and, led by the legendary Abdelkrim, briefly formed the Republic of the Rif. Even after Morocco's independence, the Rif rose again but this time against Morocco. This rebellion provoked a harsh military crackdown commanded by (then) Prince Hassan, who later became King Hassan II. Hassan, offended by the rebellion, economically abandoned the Rif during his reign and thereby reduced its chances of proper development. Given this background, and the 600 kilometres of poor road-works between Nador and Rabat and Casablanca, relations with Melilla, just 15 kms away, seemed natural. In addition to proximity, services, employment, trade and related opportunities, the purchasing power of a European city (almost 8 times higher than Morocco's) is a significant magnet capable of overcoming both cultural barriers and official policies. On the other hand, Melilla, more than 90 nautical miles away from the nearest port of continental Spain and with a small aerodrome in operation only since 1969, was virtually forced to foster good relations with its neighbours, or retard its development

through isolation. These relations were initially limited to agricultural trade, among other basic products, have gradually expanded, overcoming cultural and religious barriers through their familiarity, providing immediate benefits. The neighbourhood between Melilla and Nador is quite different from official bilateral relations between Madrid and Rabat (Spain and Morocco). Although there is still much to improve on, this neighbourhood better resembles a fluid peaceful region rather than a conflictual one, and the evolution of these neighbourly relations, as private citizens' initiatives, although affected by the official rules of international borders, are not directed by any Foreign Affairs Ministry. On this West-Islam frontier, coexistence is peaceful, even though it has been generated without official support. In this post-September 11th world, this neighbourhood is a wonderful exception that one would expect to receive some official support.

EU Official Soft Power and Reality

In 2004, after its enlargement to 25 members, the EU established the European Neighbourhood Policy (ENP), which inherited the spirit of the Euro-Mediterranean Partnership, which was launched in Barcelona (1995). The ENP's introduction stated that

In order to avoid the creation of new dividing lines, it is particularly important to remove obstacles to effective cross-border cooperation along the external borders of the European Union. Cross-border cooperation should contribute to integrated and sustainable regional development between neighbouring border regions and harmonious territorial integration across the Community and with neighbouring countries (European Commission, 2006; 2).

With the ENP, the EU fully endorsed the European Security Strategy (ESS) objective to 'contribute to stability and good governance in our immediate neighbours and promoting a ring of well governed countries to the east of the EU and on the shores of the Mediterranean with whom we enjoy close relations of cooperation' Accordingly, one of the ENP's objectives explicitly addresses the 'promotion of political, economic and social reforms across the neighbourhood is an important objective of Community assistance' (European Commission, 2006; 1).

The ENP has a remarkable feature: the ENP 2007–2013 budget is €11,181 million, more than double the previous MENA funds available between 1995–2004.

Given the goals of ENP would it not be logical to stress its application to the region that comprises European Melilla and Moroccan Nador? Should this not be a privileged destination that could be an example of cooperation between Europe and the Maghreb? Furthermore, it would not be an *ad hoc*

test; quite the opposite. It would be a real case that, as demonstrated, has been in motion for the past decades. Some measures envisaged by the EU seem simply designed to be implemented along this border. It is logical, and would certainly be an exemplary place to demystify negative stereotypes. The reality is, however, different.

Cross-Border Cooperation

Three years after the publication of the ENP financial instrument regulation, Spain and Morocco have not yet managed to agree on a Joint Action Plan; the mandatory first step to develop ENP funded projects. From the 15 ENP programs covering all EU external borders, only two of them, those affecting Spain and Morocco, remain blocked. If this situation is not resolved by June 2010, the European Commission will reallocate some €190 million initially assigned to Morocco-Spain cross border programmes, to other EU external borders. If this occurs the loss would be greater than financial; it would be a lost opportunity and ensure that this EU external border does not receive extra financial support in the future.

The main reason for deadlock is Morocco's refusal to recognise Melilla and Ceuta as sovereign parts of Spain. Morocco rejects that a Joint Action Plan with Spain include these cities as eligible zones for ENP programmes. Privately, Moroccan officials acknowledge the positive impact of Melilla on its immediate surroundings however the official line forces them to publicly deny it.

The importance of territorial claims in Morocco's political discourse is also visible if we look at the 30 year old dispute over Western Sahara. In fact, in an attempt to soften Morocco's attitude, Spain has all but recognized Moroccan claims to areas which actually belong to Western Sahara. This caused Spain to suffer from other EU member's protests, and forced Spain to include a footnote in the current Joint Plan draft:

According to the consultation from the Legal Service, the Commission considers that the regions concerned can benefit from cooperation since it is written that this does not mean any recognition by the Union of Morocco's claims on the territory of Western Sahara and that the projects must benefit the people of the region concerned. Furthermore, these considerations should be accepted by the Moroccan counterpart (*Ministerio de Economía y Hacienda*, 2009; 8).

Contrarily, Morocco denies, as eligible areas, two cities that, unlike the Western Sahara, were not subject to any process of decolonisation in the UN, but are covered by both the Spanish Constitution of 1978 and the 1986 accession of Spain to the European Communities. There might be very powerful reasons in Morocco's internal politics for taking such a stance. However, it is

hard to understand why Morocco would reject €190 million for development from the EU while, at the same time, sign an agreement to gain Privileged Status with the Union.

Missed Opportunities?

EU foreign affairs, despite the Common Foreign Security Policy (CFSP), is more a target to achieve than a set of actual directives. So far, the only formula that really works is based on coordinating the specific foreign policies of EU members, though each has its own relative influence, and focus, and therefore EU foreign affairs remain diffused. Based on this assumption it becomes clear how Morocco has managed to reject a beneficial EU policy; it views the EU initiative through the lens of bilateral, Spanish-Moroccan, relations.

Without considering the international influence of Spain, or the support that Morocco may enjoy from other EU members, it is clear that – despite the suitability of ENP for Nador and Melilla – larger political forces prevent its implementation. This may be a consequence of a *political game* played on the citizens; in this case it could result in more dramatic conclusions.

Melilla and Ceuta are the only two land frontiers the EU shares with the Maghreb. For centuries, Europe and South Mediterranean states witnessed fluctuation and episodes of confrontation until the 20th century when conflict gave way to tolerant coexistence, and eventually to relationships of mutual benefit. If the ENP cannot be implemented along this border it will not only deny the workable application of an EU policy but moreover, it will question the EU's ability to exercise influence in its neighbourhood. The goal of promoting an area of common 'peace, stability and shared prosperity' will likely be questioned well beyond Melilla and Nador. The possible non-implementation of the ENP along these borders will condemn their inhabitants, especially the most disadvantaged ones, the Moroccans, to seek out a living whether informal or illegal. If cross border cooperation is not possible, given the difference in income and wealth, drug trafficking and immigration will remain the main alternatives for the population, 31% of which is under 15 years of age.

Although there is no agreed upon link between radical Islamic movements and levels of economic development, it is likely that an environment of scarcity which lacks suitable opportunities will be prone to destabilisation and may result in the adoption of extremist ideologies. For this reason it is worth remembering that Melilla and Ceuta have been specifically threatened by al Qaeda on eight separate occasions over the past fifteen years. These threats, stepped up after the formation of Al Qaeda in the Islamic Maghreb, features well in a critical speech directed at the current Moroccan regime:

The issue of Ceuta and Melilla in jihad's propaganda, it also has a prominent component of reproach to the current rulers of the Muslim world. Tolerate this 'injustice' and not adopt a more aggressive and hostile towards Spain in both cities has been used as an argument to delegitimize regimes classified as 'apostates'. (Cembrero, 2007)

For Islamists, Morocco's ruling class 'is more concerned with the Western Sahara than releasing Ceuta and Melilla and cleaning the impurity of Spain.' (Torres Soriano, 2009; 7–9)

Under such circumstances it does not seem prudent to dismiss additional opportunities for development and stability. Especially when, from the late summer of 2008, there have been numerous border incidents in Melilla, including the death of a Moroccan citizen by crushing, the wounding of several Spanish policemen from stone throwing, and stab wounds and intermittent cuts of border traffic.

Although the Spanish authorities' official version maintains that these incidents are 'infrequent, isolated and unusual', they are on the rise and since the independence of Morocco there has not been such a spike in incidents on this border, and much less with members of the Moroccan police threatening or even directly attacking Spanish policemen. Until recently, Moroccan policemen have been largely inhibited or acted peacefully; they had never actively participated in such actions. However unlikely, these incidents may be viewed as unintended outcomes of certain behaviour and undoubtedly, they can be restrained. The Melilla-Nador border, despite the difficulties, thus far exemplifies a unique confluence between the 'West' and the Muslim world that does not necessarily have to be bloody, and instead can act as a point of mutual benefit.

In the bloody summer which followed 'Operation Iraqi Freedom,' an EU diplomat in Morocco noted that 'the United States would give anything to have an example like Melilla to teach in the Middle East'. Unfortunately, the EU itself, while knowledgeable of Melilla's geographic location, is at a loss for figuring out how to use Melilla to increase the EU's goodwill in the region, heighten its influence and demonstrate that the EU's neighbourhood can rise in prosperity and opportunity and share a secure future together with the EU.

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