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Fax +386 59 25 00 54
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ijems@emuni.si



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ARE THERE ASYMMETRIES IN THE NEXUS BETWEEN EXCHANGE RATE AND DOMESTIC PRICES? EVIDENCE FROM TURKEY

ATTAHIR BABAJI ABUBAKAR

*University of Aberdeen Business School, United Kingdom
Ahmadu Bello University, Nigeria*

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This study examines the presence or otherwise of asymmetries in the relationship between exchange rate and domestic prices (both consumer and producer prices) in Turkey. Monthly series on the study variables were collected for the period from January 2003 to April 2018. The econometric analysis was carried out by employing the Threshold Autoregressive (TAR) and Momentum Threshold Autoregressive (MTAR) models following the approach of Enders and Siklos (2001). The findings of the study suggest the presence of asymmetry in the relationship between exchange rate and both consumer and producer prices in Turkey. It was further discovered that adjustments of both consumer and producer prices following exchange rate depreciation appear to be more sluggish relative to an appreciation of exchange rate. The study emphasized the inappropriateness of adopting a one-size-fits-all approach to managing price level dynamics following exchange rate fluctuations.

Key words: exchange rate, pass-through, inflation, asymmetry, TAR, prices, Turkey, non-linear

INTRODUCTION

The relationship between exchange rate and domestic prices has continued to be a source of discussion among economists and policy makers due to its relevance in monetary policy decisions. Changes in the exchange rate and import prices are among the major factors that determine the level of domestic price



inflation (Ozmen and Topaloglu 2017). The case of Turkey is not different. The high level of importation by Turkey makes its domestic prices susceptible to the effect of exchange rate fluctuations. The mechanisms through which exchange rate fluctuation affects domestic prices include the price of imported inputs used for domestic production; similarly, exchange rate fluctuation creates uncertainty about the price of foreign commodities and this can have an influence on domestic price determination, hence producing an effect on the general price level. (Monafred and Akin 2017; Agenor and Montiel 1996).

Although out of the scope of this paper, one of the methods through which the effect of exchange rate on domestic prices can be measured is through the Exchange Rate Pass Through (ERPT). As postulated by Aron et al (2014), the traditional definition of ERPT being the change in import prices (valued in domestic currency) in response to change in exchange rate has now been re-coined to mean the effect of exchange rate movements on consumer or producer prices. Exchange rate pass-through to domestic prices can be in two folds; complete pass-through and incomplete (partial) pass-through, however, most empirical works suggest the presence of incomplete ERPT (Li and Zhang 2018; Comunale and Kunovac 2017; Faruqee 2004). The complete pass-through of exchange rate is the situation where a certain percentage change in exchange rate influences domestic prices to change by a proportionate rate; while an incomplete pass-through is where a certain percentage change in exchange rate influences a less than proportionate change in domestic prices.

Empirical studies examining the relationship between exchange rate and domestic prices have largely been geared towards symmetric modeling of the relationship between the variables with less attention directed towards appraising the asymmetric nature of the relationship. Although theoretical underpinnings such as the Purchasing Power Parity (PPP) theory of exchange rate, McCarthy (1999) and Taylor (2000) models provide a basis for the symmetric relationship between exchange rate and domestic prices; models such as Pollard and Coughlin (2004) provide underpinnings for asymmetries in the relationship between the variables.

The year 2001 saw Turkey's fiscal and currency crises leading to a high inflation rate, massive exchange rate depreciation and an increase in unemployment among other economic challenges. Following this crisis, a new economic framework was adopted by the Turkish authorities aimed at lowering public deficits and decreasing inflation among others (Oral et al, 2011). In the pre-2001 crisis period, Turkey adopted the exchange rate pegging system, this collapsed following the crises. As Sahinbeyoğlu (2007) noted, in a bid to curb inflation, inflation targeting (hereafter IT) was gradually adopted becoming fully implemented in the year 2006. The implementation of IT saw a fall in the inflation rate from 73.11 percent in January 2002; 26.38 percent in January 2003; 16.22 percent in January 2004; down to 9.24 percent in January 2005 (TCMB 2018). To ensure exchange rate stability, the Turkish authorities adopted the floating exchange rate system regime starting in the year 2002 (Görmez and Yılmaz, 2007).

Although studies such as Karahan (2017) and Tunç & Kılınç (2018) investigated the nexus between exchange rate and consumer prices in Turkey; and studies such as Siklar et al (2017), Volkan et al (2007), Leigh and Rossi (2002), Dedeoğlu and Kaya (2014) examined the nexus between exchange rate and both consumer and producer prices. All these studies modelled a symmetric relationship between the variables. We intend to build upon these studies by employing an asymmetric framework to examine the relationship between exchange rate fluctuation and both producer and consumer prices in Turkey for the post reform period.

THEORETICAL CONSIDERATIONS

The nexus between exchange rate and domestic prices are entrenched in theory. The pass-through of exchange rate to domestic prices can be through direct or indirect channels. The direct channel entails the prices of intermediate goods used for further production by firms. Change in exchange rate affects the value of these products when valued in local currency hence pushing up the production cost which has the tendencies



to affect prices. Taylor (2000) in his model hypothesized that the altering of prices by firms following the change in cost depends on the inflation environment; high inflationary regime witnesses a higher degree of pass-through to consumer prices. The model puts forward that the existing inflation environment curtails the ability of firms to pass-through cost in their pricing decisions, hence limiting the magnitude of the effect of exchange rate fluctuations on consumer prices.

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McCarthy's (1999) model explains the effect of changes in exchange rate and import price fluctuation on the domestic producer and consumer prices by putting inflation at the stages of import, production, and consumption. Inflation is assumed to consist of several components such as the expected inflation from the previous period, the supply and demand shocks, as well as the exchange rate shocks on inflation. Under the McCarthy (1999) model, variation in exchange rate is treated as endogenous hence allowing the pass-through to be tracked at each stage of the distribution chain.

Pollard and Coughlin's (2004) model of exchange rate effect signifies that changes in production costs by firms have a direct bearing on price-cost margins hence providing a framework for understanding how prices respond to changes in exchange rate via cost changes. The model assumes that firms utilize both domestic and imported inputs in production. The model posits that the degree of pass-through depends on the responsiveness of marginal cost to changes in exchange rate and of markup to changes in price. In the Pollard and Coughlin (2004) model, since cost affects profit margin, the changes in exchange rate are reflected in the pricing decisions of firms. The effect of exchange rate on domestic prices depends on the ability of firms to switch between domestic and foreign inputs, this is also determined by the prices of these inputs.

The second component of the direct channel is the prices of imported consumable goods valued in local currency. The Law of One Price (LOP) supports this with its major thrust being that the price of a commodity in a market should equate the price of the same good in another market if measured in the same currency. It puts forward that regardless of where the



product is bought, its value should be the same. The Purchasing Power Parity is built upon on the LOP which employs price indices across countries is used as a basis for analyzing the degree of pass-through of exchange rate (Berga 2012).

The indirect channel of exchange rate effect on prices as postulated by Karahan (2017) is where changes in exchange rate influence aggregate demand. A depreciation of the exchange rate makes foreign products more expensive when priced in the local currency hence pushing consumers to look for alternatives among local products. The increase in demand for the local substitute if not accompanied by an increase in supply particularly if some components of the product are imported and their cost more expensive can lead to an increase in prices. The reverse is the case for exchange rate appreciation.

DATA AND METHODS

To achieve the study objective, the Threshold Autoregression (TAR) and Momentum Threshold Autoregression (MTAR) models of Enders and Siklos (2001) were employed. The TAR and MTAR models are threshold regression models that can be used to determine the presence or otherwise of an asymmetric relationship between variables. The TAR and MTAR models are an extension of the conventional Engle and Granger (1987) two-step to cointegration approach. Before commencing the analysis, there is a need for determining the order of integration of the variables via the unit root test. If all variables are found to be integrated of order one, the next step is to determine if the variables have a long run association (cointegration).

For the symmetric cointegration test, we employed the Engle and Granger (E and G) cointegration test. To do this, we start by running a simple regression between the variables say X_t and Y_t as specified in equation 1.

$$Y_t = C_0 + \gamma X_t + e_t \quad (1)$$

Where: C_0 – Intercept Term; γ – slope coefficient and e_t - residual term.



From the estimated equation (1), we get the linear combination of the variables which is represented by the residual (i.e. estimated e_t). The estimated residual can be represented by equation 2.

$$\mu_t = \hat{Y}_t - \hat{C}_0 - \hat{\gamma}X_t \quad (2)$$

To test for cointegration, we subject eq.2 to ADF unit root test by estimating the specification in equation 3.

$$\Delta\mu_t = \rho\mu_{t-1} + \sum_{i=1}^j \beta_i \Delta\mu_{t-i} + \varepsilon_t \quad (3)$$

Where: Δ is the difference operator and ε is iid.

After estimating eq.3, and if we find μ_t to be stationary i.e. the null hypothesis of no cointegration ($\rho = 0$) being rejected, we conclude that there is a long run relationship among the variables. In other words, the variables are linearly (symmetrically) cointegrated.

Having established the presence of linear cointegration between the variables, the next step in the analysis is to determine whether or not asymmetric cointegration exists between the variables (Abubakar, 2019). To do this, we employ the TAR and MTAR model of Enders and Siklos (2001). This model performs two major functions; it determines both the presence or otherwise of asymmetric cointegration as well as if the adjustment patterns of the errors are symmetric or otherwise. The TAR and MTAR model is an extension of the Engle and Granger Two Step to Cointegration Approach. Under the TAR and MTAR model, the lag of the residual in equation (2) which is a linear combination of the variables (μ_t) is partitioned into two; one to account for deviations above the threshold and the other for deviations below the threshold. The threshold value (τ) is determined following the approach of Chan (1993) where the top and bottom 10% or 15% of the will be excluded and the remaining first lag of the errors will each be treated as a potential threshold value, the endogenously determined model's τ with the lowest Residual

Sum of Squares (RSS) is assumed to be the true threshold value (Aliyu and Tijjani, 2015). Having determined the threshold value, to partition the errors into below and above the threshold, we employ a Heaviside indication function (I_t) which is a dummy variable that takes the form of:

For TAR Model;

$$I_t = \begin{cases} 1, & \text{if } \mu_{t-1} \geq \tau \\ 0, & \text{if } \mu_{t-1} < \tau \end{cases} \quad (4)$$

For MTAR Model;

$$I_t = \begin{cases} 1, & \text{if } \Delta\mu_{t-1} \geq \tau \\ 0, & \text{if } \Delta\mu_{t-1} < \tau \end{cases} \quad (5)$$

In order to test for asymmetric cointegration, we substitute eq (4) into eq (3) for TAR or eq (5) into eq (3) for MTAR model. The equation for testing for the presence of asymmetric cointegration is then specified as:

$$\Delta\mu_t = I_t\rho_1\mu_{t-1} + (1 - I_t)\rho_2\mu_{t-1} + \sum_{i=1}^j \beta_i\Delta\mu_{t-j} + \varepsilon_t \quad (6)$$

From eq (6), and accounts for adjustments below and above the threshold value respectively. The speed of adjustment is captured by the coefficients of ρ_1 and ρ_2 . What differs the MTAR specification from TAR specification is that if the adjustment pattern is found to be persistent in one direction say adjustment below threshold is more persistent than adjustment above threshold by a large magnitude, we employ the MTAR model where in the specification will be based on the change in the lagged sequence of the residual as specified in eq (5). To decide whether to employ TAR or MTAR, we compare the absolute values of ρ_1 and ρ_2 , if they are very much apart, we can employ the MTAR model, otherwise, we employ the TAR. As a rule, just as in the ADF test, the coefficients must be $-2 < (\rho_1, \rho_2) < 0$.



The null hypothesis of testing for cointegration is specified as $\rho_1 = \rho_2 = 0$ with the alternative hypothesis that at least either ρ_1 or ρ_2 is not zero. If this null hypothesis is rejected, we conclude that there exists asymmetric cointegration among the variables. To determine whether the adjustment pattern is symmetric or asymmetric, we test the null hypothesis of $\rho_1 = \rho_2$ with the alternative hypothesis of asymmetric adjustment specified as $\rho_1 \neq \rho_2$. Should the null hypothesis be rejected, we conclude that the adjustment process is asymmetric hence inferring that the relationship between the variables is non-linear. Both tests have an F-test distribution with critical values available in Enders and Siklos (2001). The TAR and MTAR model allow the inclusion of an exogenous variable into its cointegration equation specification. This is to say you can have two endogenous variables and an exogenous variable in your equation (Enders and Siklos 2001).

Data on all study variables (Exchange rate - Exr; Consumer Prices- CP; Producer Prices- PP; Interest rate- Int) were sourced from the Central Bank of Turkey's online statistical database and collected for the period January 2003 to April 2018.

RESULTS AND DISCUSSION

Stationarity Tests

The study adopted the Augmented Dickey Fuller (ADF) by Dickey and Fuller (1979); Philips-Perron (PP) by Philips and Perron (1988) and Kwiatkowski-Phillips-Schmidt-Shin (KPSS) by (Kwiatkowski et al, 1992) unit root test to determine the order of integration of the variables i.e. the number of times the series need to be differenced in order to become stationary. While the ADF and KPSS test is parametric; the PP test is non-parametric. Both tests were employed in order to have more certainty about the order of integration of the variables. The null hypothesis of both the ADF and PP test is "series has a unit root (i.e. non-stationary)"; on the other hand, the null hypothesis of the KPSS test is "series are stationary". The null hypothesis is rejected if the test statistic is greater than the critical value at

the chosen level of significance. Rejecting the null hypothesis in the case of ADF and PP signifies that the series are stationary. However, in the case of KPSS, non-rejection of the null hypothesis indicates that a series is stationary. The result of unit root tests employed is presented in Table 1.

Table 1: Unit Root Test Result

Variables	Level		First Difference		Order of Integration
	Intercept	Intercept & Tend	Intercept	Intercept & Tend	Intercept
ADF Unit Root Test Result					
Exr	1.23	-2.18	-9.80**	-	I(1)
CP	0.68	-1.98	-10.02**	-	I(1)
PP	4.24	0.38	-8.65**	-	I(1)
Int	-2.45	-1.87	-4.24**	-	I(1)
Philips-Perron Unit Root Test Result					
Exr	1.09	-2.02	-9.19**	-	I(1)
CP	0.29	-3.12	-11.82**	-	I(1)
PP	0.10	-2.60	-7.77**	-	I(1)
Int	-2.64	-1.80	-9.48**	-	I(1)
KPSS Unit Root Test Result					
Exr	1.47**	0.411**	0.58	0.023	I(1)
CP	1.78**	0.20**	0.14	0.138	I(1)
PP	1.77**	0.13*	0.08	0.079	I(1)
Int	0.91**	0.34**	0.37	0.037	I(1)

Source: Author's computation using Eviews9

** Signifies rejection of the null hypothesis at 5% statistical significance level.

Note: Where Exr- Exchange Rate; CP- Consumer Prices; PP- Producer Prices; Int- Interest Rate.

Table 1 presents the results of the ADF, PP and KPSS unit root test. From the result, all series were found to be stationary only after taking their first difference i.e. the variables were not found to be stationary in their level form. We could thus say that all series are integrated of order one. Since all series are found to



be non-stationary, the next step in the analysis is to determine the existence or otherwise of long run association (cointegration) among the variables (Abubakar, 2018).

Engle and Granger (1987) Test Result

The E & G (1987) cointegration test was employed to determine whether or not variables have long run association. Being a bivariate single equation test, it was applied to both the CP and PP models individually. The result is presented in Table 2.

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Table 2: *Engle and Granger (1987) Cointegration Test Result*

Model (Variables)	Coint. Coeff (Prob.)	Inference
CP (CPI & EXR)	-3.25 (0.00)**	Presence of cointegration
PP (PPI & EXR)	-2.92 (0.00)**	Presence of cointegration

Source: Author's computation using Eviews9.

** indicates rejection of the null hypothesis at 5% significance level.

Table 2 presents the result of E & G cointegration test. It could be inferred that from the result presented, both the CP and PP models show the presence of cointegration among the variables. It could be concluded that CPI and EXR have long run associations so also are PP and EXR. Since the E and G (1987) test assumes linear relationship among the variables and our major objective is to identify whether or not the relationship between our variables is non-linear, we will employ the TAR Cointegration test which has a non-linear framework.

Asymmetric Cointegration Tests Results

The TAR and MTAR cointegration model was employed to test for the presence of asymmetric cointegration among the variables. The findings of these models will provide us grounds to make an informed decision about the nature of the relationship between the variables, hence answering the question of whether the nexus between the variables is symmetric or asymmetric. The results are presented in Table 3.



Table 3: TAR and MTAR Model Result

	CP Model		PP Model	
	TAR	MTAR	TAR	MTAR
ρ_1	-0.035	-0.044	-0.019	-0.014
ρ_2	-0.192	-0.189	-0.166	-0.136
Ψ_f	7.244*	5.230	8.913*	6.930
	(7.164)	(8.359)	(6.058)	(8.105)
Ω_f	7.471*	6.422	8.023*	7.871
	(7.161)	(8.197)	(7.147)	(8.224)
τ	-0.109	-0.029	-0.085	-0.006

Source: Author's computation using Eviews9

*signifies statistical significance at 5% level.

In table 3, Ψ_f represents the F-statistic for testing the hypothesis of asymmetric cointegration ($\rho_1 = \rho_2 = 0$); Ω_f represents the F-statistic for testing the hypothesis of asymmetric adjustment ($\rho_1 = \rho_2$), while τ represents the threshold value. The critical values of TAR and MTAR (Ψ_f and Ω_f) were generated by Monte Carlo simulation based on Enders and Siklos (2001) using Eview9 and are presented in parenthesis.

Table 3 presents both the consumer prices (CP) and producer prices (PP) TAR and MTAR model asymmetric cointegration test results. In both the models, an exogenous variable interest rate was included. The negative values of ρ_1 and ρ_2 suggest convergence (Aliyu and Tijjani, 2015; Abubakar, 2019). From the TAR results of the CP model, the F-statistic of asymmetric cointegration ($\Psi_f = 7.244$) was significant, leading to the rejection of the null hypothesis of the absence of cointegration among the variables. The F-statistic for a symmetric adjustment ($\Omega_f = 7.471$) between the variables was significant, leading to the rejection of the hypothesis of symmetric adjustment and the conclusion that the adjustment pattern between the variables is asymmetric. The MTAR result of the CP model identified a threshold value of -0.029 , however, the non-significance of the F-statistic of both symmetric cointegration and symmetric adjustment is



an indication that for this model, the adjustment pattern is not persistent in one direction, hence we negate the MTAR model and focus on the TAR model results. We could thus infer from the TAR results that the nexus between exchange rate and consumer prices exhibits an asymmetric nature.

From the TAR results of the PP model, the F-statistic of asymmetric cointegration ($\Psi_f = 8.913$) was found to be significant leading to the inference that asymmetric long run relationship between producer prices and exchange rate exists. The F-statistic for an asymmetric adjustment ($\Omega_f = 8.023$) was also found to be significant leading to the conclusion of the presence of asymmetry in the adjustment pattern between the variables. The results of the MTAR model show the F-statistic of both the symmetric cointegration and adjustment to be insignificant, implying that persistence of adjustment in one direction does not exist hence making inferences to be based upon the TAR model. From the PP results, we could conclude that the nexus between exchange rate and producer prices is also asymmetric in nature. On the overall, exchange rate is found to have an asymmetric relationship with both producer prices and consumer prices in Turkey. Specifically, the speed of adjustment following exchange rate depreciation (ρ_1) of both models appears to be more sluggish than that of exchange rate appreciation (ρ_2). What this signifies is that producer and consumer prices return to their long run equilibrium levels faster when exchange rate appreciates (decrease in Turkish Lira needed to purchase a unit of foreign currency) than when exchange rate depreciates. Inferences that can be drawn from this finding is that exchange rate depreciation leads to longer time span of deviations of domestic prices from their equilibrium level than exchange rate appreciation, pointing to the notion that exchange rate depreciations exert greater impact than exchange rate appreciations on domestic prices in Turkey.

CONCLUSIONS

The study set out to examine the nature of the relationship between exchange rate and domestic prices (i.e. both consumer and producer prices) for Turkey during the post economic reform

period following the year 2001 fiscal and currency crises. In particular, we tested for the presence or otherwise of asymmetry in the relationship between exchange rate and domestic prices. The findings of the study confirmed the presence of asymmetry in the relationship between the variables. This denotes the fact that the behavior of consumer and producer prices following exchange rate depreciation and appreciation exhibit different patterns. This leads to the conclusion that the relationship between the variables is non-linear. Further, it was discovered that adjustments of both consumer and producer prices following exchange rate depreciation appear to be more sluggish relative to exchange rate appreciation.

The findings of the study are important to the monetary authorities and policy makers because it will shed light on designing the right policy framework to tackle the bearing of exchange rate fluctuations on domestic prices. Specifically, the study gives insight into the fact that the behavior of domestic prices following exchange rate appreciation differs from that of exchange rate depreciations, therefore, a one-size-fits-all approach to price level management might be inappropriate. The study suggests the need to tailor specific measures following exchange rate appreciations on one hand and specific measures towards depreciation on the other hand with a view to achieving more effective management of prices by the authorities.

Although the scope of the paper is limited to ascertaining whether or not asymmetries exist in the relationship between exchange rate and domestic prices in Turkey, suggested areas of further research includes the examination of the dynamics of asymmetric pass-through of exchange rate to domestic prices in both short and long run.

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IS WOMEN'S EMPOWERMENT A COMMUNITY AFFAIR? COMMUNITY LEVEL APPLICATION ON EGYPTIAN MARRIED WOMEN

HANAN NAZIER

*Faculty of Economics and Politicas Sciences, Cairo University,
Egypt*

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RACHA RAMADAN

*Faculty of Economics and Politicas Sciences, Cairo University,
Egypt*

This paper examines the community-level determinants of women's empowerment in Egypt, while accounting for the individual and household level factors. The paper analyzes two dimensions of women's empowerment; the decision-making and the mobility dimensions using a Multiple Indicators Multiple Causes Models. Using the Population Census data of 2006 and the Demographic Health Survey of 2008 in addition to the Egypt Labor Market Panel Survey of 2012 (ELMPS 2012); we found that the determinants of decision-making and mobility dimensions of women's empowerment are quite different, confirming that "empowerment" is a multi-dimensional phenomenon. Moreover, our results show that social context and the characteristics of the governorate where women live play an important role in determining women's empowerment in Egypt after controlling for a variety of individual and household-level characteristics. These results highlight the importance of viewing women's empowerment, and hence development as social and normative transformations rather than as just resulting from shifts in individual conditions, attitudes and behaviors.

Key words: Women's empowerment, decision-making, mobility, social context, MIMIC, Egypt



INTRODUCTION

20 | “Empowerment is the process by which those who have been denied the ability to make choice acquire such ability” (SIDA Studies- Discussion Women’s Empowerment). Empowerment as a concept is relevant to any disadvantaged or socially excluded groups, however, we focus on women due to the fact that women are a category of individuals that overlaps with virtually all other social groups. Additionally, women empowerment is the basis of intrahousehold relations and decision-making and is thus critical to many, if not most, development outcomes. Women empowerment is not only one of the Sustainable Development Goals, but it is a necessary condition for achieving other goals as eradicating poverty and ensuring food security. Women empowerment determines the extent to which children gain access to education and health care, whether they can acquire contraceptive information and have the freedom to act on their fertility preferences, among many other actions that are central to achieving desirable development outcomes (Dyson and Moore 1983; World Bank 2001; Mason and Smith 2003).

Theoretically it has been hypothesized that determinants of empowerment include individual level measures, which included control over material resources (such as land, livestock, and having labor earnings), human assets (such as education and health), socio-demographic characteristics (age, family size, family structure, etc.) and psychological characteristics (beliefs about self-efficacy). More recently there is an emerging interest in social context as a main factor affecting women empowerment. Women’s position and degree of empowerment are believed to be defined by gender roles and gender relations in society. Gender represents not just the biological sex of an individual, but also the ideological or normative systems that defines different roles, rights, and obligations that are attached by society to individuals born with male or female sex characteristics.

In this view, women are a “class” in the (two-class) gender stratification system, a system that is governed by shared norms and values (Smith 1989). These ideological systems set prescriptions about many fundamental principles of social life, which defines



the social context, for example, how to organize families, how to allocate wealth among different groups or individuals, and how to organize relations between males and females. In this view, the perceptions, tastes and choices of individual decision-makers are strongly influenced by the nature of the ideological or normative systems to which they belong (Mason and Smith 2003).

Hence, individual behavior is strongly influenced by norms and values at community level. This social context has important consequences for the actions of women and hence their empowerment. For example, individual mobility in a community where few women can leave the house freely has different implications than women's movement in a community where many women can move freely (Folaranmi 2013). Accordingly understanding the social context and focusing on the rights; obligations and resources granted to women versus men under different social contexts —not just the individual and household characteristics of women—is critical for analyzing women empowerment (Mason and Smith 2003).

As explained by Nazier and Ramadan (2018) women's empowerment is a dynamic process of different dimensions. These dimensions include economic, socio-cultural, familial/interpersonal, legal, political and psychological. There is nothing to guarantee that when women have high levels of empowerment in one dimension, they will also have high levels on other dimensions (Mason and Smith 2003). Dimensions including, but not limited to, freedom of movement, access to financial and non-financial resources, decision making autonomy, gender attitudes, freedom from fear and oppression, and equality in her relationship with her partner are arguably important and distinct aspects of a women's position in relation to men, other family members and other women within her household (Ghuman et al 2004). It is important to recognize this multidimensional aspect of women empowerment because it renders many generalizations, as it is impossible to understand and capture the influence of women's status through one single measure. This highlights the importance of studies distinguishing different dimensions of women's empowerment if we wish to understand possible causes of social or economic change (Mason and Smith 2003).



In Egypt, gender gap is almost closed and even reversed in primary education, however gender contributes to more than 20% to inequality of opportunity in secondary completion rate (UN-ESCWA and ERF, 2019). Additionally, the improvement of women's years of education was not translated into an increase in women's access to economic activities. According to Krafft and Kettle (2019); only 20 % of women with intermediate education level participated in the labor market in 2018. Women's employment rate decreased to 17% in 2018 compared to 72% for men. And women's unemployment rate is almost four times men's unemployment rate with 4.9% and 19.5% in 2018, respectively.

Equal access to education and economic opportunities, in addition to other social and cultural factors in such a patriarchal society as Egypt, are main drivers for women empowerment, which is in turn a necessary condition for development. However, evidence-based research tackling women empowerment in Egypt is scarce (Nazir and Ramadan, 2018).

A common shortcoming of most of the previous studies on women empowerment in Egypt is ignoring the social context and its effect on women empowerment (Durrant and Sathar 2000; Roushdy 2004). Another issue is that most of the studies tackled only one dimension of empowerment mainly economic empowerment. Hence, this research is an attempt to overcome these gaps. This is done by first illustrating the degree to which women's empowerment in Egypt differs by social context and the extent to which these contextual differences remain after we control for personal and household-level characteristics. Second, as social context may allocate power to women in some domains while denying them power in others and different aspects of women's empowerment do not always move together; we illustrate the multi-dimensional nature of women's empowerment by tackling two dimensions; decision-making power inside their households and freedom of movement outside the household. Third, we use the Multiple Index Multiple Causes (MIMIC) model that allows avoiding confusing causes and effects of empowerment. MIMIC model allows exploring the linkages between the direct measures of empowerment - known as indicators- and its different causes.

In this context, this paper studies the main socio-economic drivers at the individual, household and community level of women empowerment in Egypt. More precisely, the paper analyzes the community characteristics and contextual variables that determine the empowerment of Egyptian women, in addition to individual and household characteristics, along two dimensions; decision-making and mobility. The analysis is conducted using data on individual and households' characteristics of women from the Egypt Labor Market Panel Survey (ELMPS) of 2012 and contextual variables from the Egyptian Population Census of 2006 and the Demographic and Health Survey of 2008.

The paper is organized as follows; the first section reviewed the related literature. Section 2 described the methodology. Section 3 presented the data used in the regression. The estimated results were presented in section 4 and finally section 5 concludes.

LITERATURE REVIEW

Most of the empirical analyses of the determinants of women's empowerment focused on the individual and household level. This concentration at the individual/household level could be due to the importance of the household to gender relations and hence empowerment. In addition, operationalizing different components of women's empowerment in a concrete manner is more feasible at the household level rather than at larger levels of aggregation (Malhotra et al. 2002). The majority of these studies used direct measures of empowerment to determine the impact of different individual and socio demographic variables, such as age, marital status, education, employment, asset ownership, ethnicity, position within the household and number of children, on different aspects of women's empowerment (Hashemi et al. 1996; Malhotra and Mather 1997; Mason 1998; Zaman 1999; Jejeebhoy 2000; Mason and Smith 2000; Jejeebhoy and Sathra 2001; Parveen and Leonhauser 2004; Kamal and Zunaid 2006; Gupta and Yesudian 2006; Allendorf 2007; Anderson and Eswaran 2009; Khan and Awan 2011; Vanghese 2011).



Only a few recent studies tried to take social context into consideration by combining community and individual level variation in a single analysis. Indeed, these studies have found strong evidence of powerful effects of social context on women empowerment. However, the relative importance of each contextual factor differs for different dimensions of empowerment and social contexts (Samman and Santos 2009). Moreover, it has been shown that social context has indirect and direct effects on women's empowerment. Country and community of residence predict women's domestic empowerment better than their personal socioeconomic and demographic traits (Mason and Smith 2000).

Theoretically relevant social contexts can be distinguished on three levels. First, the nation-state which enforces the gender regimes embodied in legal systems, judicial precedent, religious discourse and public policy. Second, the local geographic community, which is the context where much of the day-to-day interpretation of social norms and informal sanctioning of those who violate them occurs. Third, communities of identity such as religious or ethnic communities (Mason and Smith 2003). Accordingly, social context as a determinant of women empowerment is analysed in the empirical literature on three levels; at the macro level by comparing different nations; at the community level inside a single country by analysing determinants of women's empowerment in different geographical areas and finally by analysing determinants of women's empowerment depending on the religious or ethnic group they belong to. Generally, there are two ways through which social context was operationalized; first by using dummy variables for the various geographic or identity group being investigated and second, by using community-level characteristics measured at the geographic level being analysed.

Mason and Smith (1999) use data for 56 communities in five Asian countries (Pakistan, India, Malaysia, Thailand and the Philippines) to measure the effect of social context proxied by dummies for religion and region on women's empowerment, controlling for women's individual and household characteristics, such as land assets, participation in waged work, wife's

rank relative to husband. She operationalized women's empowerment as their say in household expenditure decision-making. The results revealed that country and community of residence predict women's domestic empowerment better than their personal socioeconomic and demographic traits.¹ Mason and Smith (2003) try to answer two main questions: whether community or individual characteristics are better predictors of women's empowerment, and whether different dimensions of empowerment are similarly related to community or individual traits. They analyze four measures of married women's empowerment in the domestic sphere in 56 communities from the same five Asian countries as in the previous study (India, Malaysia, Pakistan, the Philippines, and Thailand) however using different proxies for social context. First, they examine variation in women's empowerment according to country and community dummies together with personal and household characteristics in multivariate models. Second, they capture context by five community-level measures computed as the mean of response to each of five gender-role attitude questions across women in each community. The analysis shows that, community is a far stronger predictor of women's empowerment than are individual traits. The relationship of both community and individual traits to different measures of empowerment varies, suggesting that empowerment is inherently a multi-dimensional phenomenon, with women relatively empowered in some spheres but not in others.

The studies by Jejeebhoy (2000) for Uttar Pradesh (UP) and Tamil Nadu India and Jejeebhoy and Sathar (2001) for the same two areas in India and Punjab Pakistan use dummy variables to account for social context, namely nationality, religion and region. They find that traditional sources of empowerment, namely, co-residence with mother in law, size of dowry, age, and number/gender of children, to be more important determinants of autonomy in Punjab and Uttar Pradesh than in Tamil Nadu. In Tamil Nadu, the only traditional factor that mattered was

1 Similar results were reached in a previous study Mason (1998) for the same 5 countries.



age. Education and work status predicted empowerment in all three sites but far more in Tamil Nadu than in UP and Punjab, where only secondary education mattered. For variables reflecting context only region was important; they consider region to proxy the cultural context, specifically prevailing social institutions that condition gender roles.

In Bangladesh, Parveen and Leonhäuser (2004) find that traditional socio-cultural norms have a strong negative effect on women's empowerment, while formal and non-formal education have strong positive effects, in addition to information and media exposure and mobility. Kishor and Gupta (2004) document women's empowerment as a whole and in each of 26 states in India. In general, they find that the average woman in India is disempowered absolutely as well as relatively to men, and that there has been little change in her empowerment over time. However, there is great variation in the level of women's empowerment across the different states and across indicators, confirming the importance of context and the multidimensional nature of women's empowerment.

Ghuman et al (2004) compared couple responses to survey items on the wife's autonomy in various domains using data from 23 communities in India, Pakistan, Malaysia, Philippines and Thailand. They showed that the level of women's autonomy depends on whether wives or husbands are respondents and that the response categories do not have the same cognitive or semantic meanings to men and women. Moreover, the disagreement between men and women varies across communities highlighting the role of social context.

As for the empirical literature, tackling determinants of women empowerment in Egypt, most of the existing studies focus on the individual-level measures as determinants of empowerment (Kishor 1995; Khatab and Sakr 2009; Abdel Mowla 2009; Nazier and Ramadan 2018). Kishor (1995) used the 1988 Egypt Demographic and Health Survey (EDHS) 1998 to examine the effect of several modernization, economic, and cultural factors on three different direct measures of empowerment. First, the customary autonomy index used to measure the extent to which women believe they should have a say in decision



related to matters women traditionally would have control over – mainly family planning, children's education and marriage. Second, the noncustomary autonomy index that measures the extent to which women believe they should have decision-making power in general, and in areas outside their traditional roles, such as visits to relatives and the household budget. Finally, the realized autonomy index measuring the extent to which women perceive that they have decision-making power and freedom of movement. The determinants of empowerment used by this study included household characteristics (region and socio-economic index), individual characteristics (age, education, exposure to media, migration history, and employment status), husband characteristics (education and occupation) and cultural variables (religion, marriage pattern, post marital residential arrangement and number of children by gender). Using ordered logit regression; the results showed that while most factors have a similar impact on the indices of customary autonomy and noncustomary autonomy, they do not always have the same impact on the realized autonomy index. Modernization efforts that affect women's individual characteristics, like women's own education, affected women mostly by altering their views about women's role in decision-making. While modernization efforts that affect the circumstances in which women live, such as the level of education of her husband, affect her realized level of autonomy most. The impact of employment on empowerment differed for each dimension. Realized autonomy is the only aspect that is significantly affected by women work, irrespective of whether they control their earnings or not and whether they earn cash or not for the work they do. The other two dimensions as measures of perceptions about women's roles is not affected by employment per se, but by access to, and control over, earnings derived from employment. Finally, only a few cultural variables affected any of the aspects of empowerment directly. Realized autonomy is lower among women who are Muslim, who live in large, households, who are remarried and who have greater number of children irrespective of the children's gender.

Khattab and Sakr (2009) use data from the Egypt Labor Market Survey of 2006 to investigate the determinants of



women empowerment in Egypt. This study focused on the economic dimension of women's empowerment as measured indirectly by female participation in the labor market. It utilized a comparative description approach to analyse the effect on women's economic empowerment of four different factors; women's point of view on participating in the labour market, social values (husband and wife view of whether women should be allowed to work), work conditions (stability, duration, right to occupy leadership position) and women's financial autonomy. The study found that higher unemployment rates, the longer duration of unemployment facing women, the lack of access to education, and social norms are the major factors that hamper economic empowerment of women in Egypt. Social norms were especially important and reflected in a separation and conflict between accepting women work while refusing their financial autonomy. Such result highlights the shortcomings of indirect measures like labour force participation as a true reflection of empowerment.

Similarly, Abdel Mowla (2009) uses the ELMPS 2006 to examine the effect of the level and type of education on women economic empowerment in Egypt. Women economic empowerment was proxied by two indirect measures: (1) economic participation; measured as female labour force participation, probability of exiting employment and the extent of job search behaviour; (2) economic opportunity; measured by wage work and escaping vulnerable employment, escaping low quality work and overcoming occupational segregation. It was found that education has a powerful impact on both measures of women's economic empowerment in Egypt. Women are found to benefit more than men from higher education in terms of improving their labour market outcomes.

Finally, Nazier and Ramadan (2018) study the different individual and socio-demographic characteristics that affect two dimensions of women empowerment in Egypt; namely decision-making and mobility. The findings are in line with the literature; age, education, employment, poverty status, number of children and having an adult son appear as significant determinants of empowerment. Women's empowerment is also significantly affected by the characteristics of the husbands and the fathers of

the respondents. All of these determinants, except for own education, showed varying impact depending on the dimension of empowerment studied. Regional and governorate dummy variables were found to be very significant in explaining Egyptian women empowerment.

Most of the previous studies on women empowerment in Egypt focus mainly on individual and socio-demographic characteristics ignoring the social context and its effect on women empowerment (Durrant and Sathar 2000; Roushdy 2004). Moreover, the few studies that have considered the social context, included only community dummies rather than attempt to determine what it is about these groupings that affect empowerment (Kishor 1995). Another issue is that most of the studies tackled only one dimension of empowerment mainly economic empowerment. Hence, this research is an attempt to overcome these gaps. We focused on the community-level determinants of married women's empowerment in Egyptian households to capture the effect of social context, in addition to individual and socio-demographic characteristics.

METHODOLOGY

The Multiple Index Multiple Causes (MIMIC) model, introduced by Goldeberger (1972), is used to measure the impact of individual, households and community characteristics on women's empowerment in Egypt. The advantage of using a MIMIC model is that in a situation where there is no directly observable measure of a given status such as empowerment here, it allows exploring the linkages between the indicators of this latent variable- empowerment- and its different causes (Rose and Speigel 2011; Huber 2013). As we are interested in two dimensions of empowerment; decision-making power and mobility, the MIMIC model will be estimated twice using two sets of empowerment indicators.

More precisely, the MIMIC model consists of estimating two sets of equations that are interdependent structural equations. First, the structural equations representing the latent variable, *empowerment*, as function of causal variables, say X_1, \dots, X_k ,



such as individual, households and community characteristics (Rahman et al 2004) as follows:

$$\text{empowerment}_i = f(X_{i1}, \dots, X_{ik}, \varepsilon_i) \quad (1)$$

As empowerment is a binary variable that takes value 1 a woman is considered empowered, 0 otherwise; the $f(\cdot)$ is a logit function and the stochastic error term follows logistic distribution. The causal variables (inputs) of empowerment, X 's, are the same for the decision-making power model and the mobility model. These inputs include woman's age in years (*age*) and its square (*age2*) to consider the non-linear effect of age. Other individual characteristics include her age at marriage, the difference between her age and her husband's age (*age gap*) and her education level. And to account for the effect of the woman's position in the household on her empowerment, the model includes variables indicating the status of the respondent if she is daughter in law or temporary head (if her husband is absent) or other status, compared to being the head's spouse. In addition to a variable capturing the fact that her daughter in law is living with her. Moreover, the model includes variables capturing the share of boys in her children if she has ones and the number of other adults present in her households.

The socio-economic status and background of both the respondent and her family is also expected to affect her empowerment. This is captured in our model by using woman's contribution to the costs associated with her marriage measured by her share and her family's share in the marriage costs (*share marriage cost*). Moreover, two dummy variables are introduced to capture her parents' education level; the first variable equals one if the parents have same level of education, while the second variable equals one if the mother have higher education level. Additionally, to consider the husband's role in women's empowerment, woman's husband education compared to her education and his employment status are included in the model.

The model includes as well dummy variables for income quintiles based on wealth score. This later takes into consideration the durable goods available to the household. The poorest



quintiles are considered as the reference category. In addition to a dummy variable equals one if she was born in rural areas.

Finally, the social context is captured by different context variables reflecting education, employment and the development level of the governorate where the respondents live in addition to variables capturing women's self-esteem. The governorate education level is captured by the share of illiterate male among the governorate's adult males. The share of female waged workers among all waged workers at the governorate level is included in the model as a proxy for the employment status of other females within the governorate where the respondent lives. The governorate's development level is measured by the share of the population who have access to public sewerage network. While for women's self-esteem, it is captured through four variables. The first one reflected female's perception of violence, as measured by the share of female, at the governorate level, who accepted that a man beat his wife whatever the reason is. The second variable is the share of women, at the governorate level, thinking that Female Genital Mutilation (FGM) should continue. The third variable reflects the share of women at the governorate level who agrees that a working woman is not a good mother and finally those who agree that a woman should be financially autonomous.

The second sets of equations are the indicators equations representing the indicator variables reflecting empowerment as follows:

$$indicator_i = g_i(empowerment_i, \mu_i) \quad (2)$$

Two sets of empowerment indicators are used to reflect our two dimensions of empowerment. The first set of indicators concerns women decision-making power within her household; such as who takes the decision related to large purchase, food and her health. The second one tackles women's ability to visit sites such as the local market, health center or fields outside the village without obtaining permission from other family members².

2 More details about the decision-making and mobility indicators are available in Appendix 1.



Hence, $g_i(.)$ function is ordered logit function as the indicators for the decision-making power dimension and for the mobility dimension take ordered values ranging from 4 to 1; where 4 means taking the decision alone and 1 means not participating in any decision. And the stochastic error term follow logistic distribution.

DATA

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First, the data for the individual and household characteristics used in this paper is drawn from the Egyptian labor Market Panel Survey (ELMPS) for 2012. The ELMPS is carried out by the Economic Research Forum (ERF) in cooperation with Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS) since 1998. The ELMPS (2012) is the third round of this periodic longitudinal survey that tracks the labor market and the demographic characteristics of households and individuals interviewed in 2006, both individuals included in the ELMS (1998) and individuals added in 2006, as well as a refresher sample of 2,000 new households to ensure that the data continues to be nationally representative, a total sample of 12,060 households and 49,186 individuals. The ELMPS is considered a wide-ranging, nationally representative panel survey that covers topics such as parental background, education, housing, access to services, residential mobility, migration and remittances, time use, marriage patterns and costs, fertility, women's decision making and empowerment, job dynamics, savings and borrowing behavior, the operation of household enterprises and farms, besides the usual focus on employment, unemployment and earnings in typical labor force surveys.

Our research focuses on 8858 married women, in 8568 households, aged between 15 and 49 years old, with an average age of 31 years old. Concerning the distribution of the sample over the six Egyptian regions; 16.77% of the sample lives in Great Cairo, Alexandria and Suez Canal, 10.99%, 13.50%, 30.45% and 28.29% lives in Urban lower, Urban Upper, Rural Lower and Rural Upper Egypt respectively. Finally, 58.94% of the sample lives in the rural areas. Regarding community variables, which are the main interest of this paper, starting with



education at the governorate level, Port Said governorate had the lowest share of illiterate men (13% in average), while Beni-Suef had the highest share of illiterate men (47%) same as Fayoum and Menia (Appendix 2)

Employment at the community level was measured by the average shares of female waged workers, among all waged workers at the governorate level. This variable varies among the different governorates. The highest share is reached in Cairo and Port Said with 27% of all waged workers being female while Qena witnesses the lowest share of 9% (Appendix 2).

Access to sanitation facilities is considered an important measure for development level. In Egypt, only 39% of households have access to public sewerage network (Appendix 2). This low average share of access to public sewerage network hides significant variations among the different governorates. For some poor governorates such as, Menia, Assiut and Qena, this share is lower than 15% of the households. While this share exceeds the 80% for the metropolitan governorates (Cairo, Alexandria, Port Said and Suez)

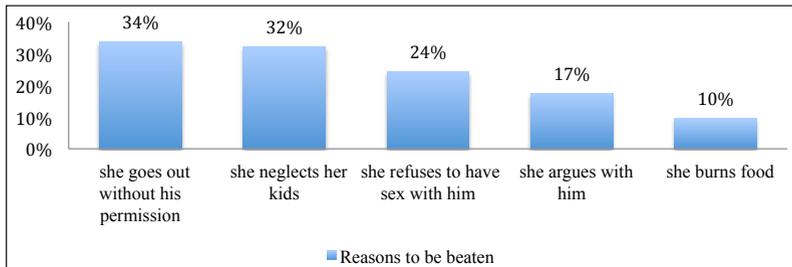
Second, variables reflecting women's self-esteem are drawn from the 2008 Egypt Demographic and Health Survey (EDHS)³ and ELMPS 2006. The 2008 EDHS is a nationally representative sample of 16 527 ever-married women aged 15-49. It was undertaken to provide estimates for key population indicators including fertility, contraceptive use, infant and child mortality, immunization levels, maternal and child health, and nutrition. Moreover, it covered other health topics such as knowledge and awareness of avian influenza, HIV/AIDS and hepatitis C; previous history of hypertension, cardiovascular illness diabetes and liver disease; attitudes and behavior with respect to female circumcision; health care cost and health insurance coverage (El Zanaty and Way, 2009).

3 The EDHS was conducted on behalf of the Ministry of Health by El-Zanaty and Associates. It is the ninth in a series of Demographic and Health Surveys conducted in Egypt as a part of the worldwide MEASURE DHS project, which is funded by the United States Agency for International Development (USAID).



Several variables measuring gender role and women self-esteem are used in this study. First, a variable reflecting women’s attitudes towards domestic violence; the average share of females, who think that women should be beaten by their husbands for any of a range of specified reasons. Women were asked about if they think that a man should beat his wife for any of the following reasons: if she went outside without his permission, neglected her kids, argued with him, refused to have sex with him, or burned food. Figure 1 shows the average share of females, who think that husbands should beat women for each of these reasons. Going out without his permission, came as first reason with 34% of women thinking that a woman should be beaten for this. Neglecting her kids came at the second level with 32% while only 10% think that a woman should be beaten if she burned food. On average, 42% of women think that a man should beat his wife whatever the reason is.

Figure 1: *The average share of women who think that women should be beaten by their husbands for different reasons*



Source: *Computed by the authors from EDHS (2008)*

Second a variable measuring women attitudes towards Female Genital Cutting, traditionally known as “circumcision”. *Circumcision* is considered a fundamental violation of women and girls’ rights (WHO, 2008). Surprisingly, among our sample, an average of 52% and 71% of women in Egypt thought that this practice should continue, in urban and rural areas, respectively. This average rate is 63% all over Egypt. This share reached its maximum of 82% in Aswan as compared to a minimum of 28% in Port Said.



Finally, the share of women agreeing that a workingwoman is not a good mother and share of women agreeing that a woman should be financially autonomous are used to reflect attitudes towards working women and women's financial independence. Data revealed that the share of women agreeing that a workingwoman is not a good mother is less than 10% in all Egyptian Governorates except in Menufia, Suhag and Luxor. Moreover, less than 30% of women in all governorates agree that a woman should be financially autonomous (Appendix 2).

EMPIRICAL RESULTS

Replacing equation (1) in (2) result in the reduced form of our MIMIC model that was estimated twice for the decision-making power and for the mobility dimensions. Both models were estimated first using only the individual and households' characteristics. Secondly, they were estimated using regional dummies in addition to the individual and households' characteristics as regressors. The inclusion of regional dummy variables allows to consider the impact of living in any region in Egypt compared to living in Great Cairo. And a third version of the two models were estimated using governorate dummies instead of the region ones, in addition to the characteristics of the respondents and their households. The governorate dummies take into consideration if it is urban or rural areas. This later accounts for the variation in decision-making power and mobility due to observed and unobserved community characteristics at the governorate urban/rural level⁴.

The likelihood ratio test⁵ is used to compare between the models. The results of the test show that the two first models are nested in the third one. Hence, the governorate, where the

4 The Estimated parameters of the first three models, for decision-making power and mobility are available upon request.

5 The output of the Likelihood Ratio test is presented in Appendix 3.



respondent lives, is a significant determinant that explains important part of the variation of women’s empowerment⁶.

Table 1: *Likelihood Values*

Likelihood Value	(1)	(2)	(3)	(4)
DI	-42569.21	-42418.21	-41864.70	-42245.50
MI	-40509.22	-40440.95	-40123.51	-40339.85

Source: *Computed by the authors based on regression results.*

The third model with governorate rural/urban dummies allows answering our question of interest. The results confirm the important effect of communities, where women live, on both dimensions of empowerment. Most of the governorate urban\rural dummies had a significant impact on empowerment. The results show that the governorate that had the largest negative effect on both dimensions of empowerment is rural Sohag compared to Great Cairo. While living in urban Beni-Suef had the greater positive effect on the decision-making power of women living there compared to women living in Great Cairo. For mobility; living in urban Dakahlia had the largest positive effect compared to Great Cairo.

Finally, the decision-making power model and the mobility model were estimated using community characteristics, in addition to the individual and household’s characteristics. This allows tackling the effect of specific characteristics, such as education level, employment and development of the governorates on the respondents’ empowerment. According to the decision-making power model, our latent variable *empowerment* had significant ($p < 0.01$) factor loadings on all five decision-making power indicators, which was equal to or exceeding 1.377. Similarly, empowerment had significant factor loadings

6 The three last models with region dummies, governorates urban/rural dummies and community variables are estimated without clustering to be able to use the likelihood ratio test.



equal to or exceeding 1.969 on all four mobility indicators (Appendix 4).

Results of the last version of the two models in which we are interested are displayed in Table 2.⁷ Two main conclusions could be driven. First, the significance of our community characteristics varied according to the dimension tackled; decision making power or mobility. Second, the magnitude of the effect of the community level variables -especially those that are significant- is much more important than the effect of the individual and the household level variables.

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Hence, to answer our research question; community characteristics and social context play a significant role in empowering Egyptian women. Women living in governorates with higher share of female wageworker among all wageworkers are more likely to be empowered in both the decision-making and mobility models. Surprisingly, average educational level at the governorate where the respondents live, as measured by the share of illiterate males among males 18 years and above, had a positive but insignificant impact on both empowerment dimensions. This may suggest that education in Egypt does not have a significant impact on raising awareness levels and radical changes in family values.

Results showed that female's perception of unequal gender roles is another determinant of her empowerment however again empowerment dimension mattered. Acceptance of violence had a significant negative impact on empowerment. Results showed that women living in governorates with higher share of women approving violence are less likely to be empowered. Likewise, as the share of women who (strongly) agree that a woman with full time job cannot be a good mother at the governorate level increases, women are less likely to be empowered; for both dimensions. While the share of women who (strongly) agree that a woman should be financially autonomous had a positive but insignificant impact on the likelihood of being empowered. Finally, the share of women who believe

7 These estimated results are based on MIMIC model with robust standard errors where clusters are considered.



that FGM should continue had a positive and significant impact on empowerment in the mobility model only. This is a surprising result that would require more investigation in future research.

For the individual characteristics; it was evident that age has a non-linear impact on Egyptian female's empowerment when measured by the decision-making power dimension. While her mobility continuously increases with age, this is expected as our sample includes only women with maximum age of 49 and hence the probability of experiencing health problems that would reduce their mobility abilities is very limited. The results revealed that age at marriage had no significant effect on Egyptian female's empowerment; both her decision-making power as well as her mobility. Similarly, all education levels were found to have no significant effect on our two dimensions of empowerment with the exception of the post-secondary level that had a negative impact on women mobility only. This is another surprising result as we would expect that when women have higher education level compared of being illiterate, they would have higher freedom of mobility.

Interestingly, for the household wealth status, when the social context is taken into consideration, household wealth categories had no significant impact on any of the empowerment dimension with the exception of the fifth quintile that had a negative impact on women's mobility as compared to women in the first wealth quintile. This could be due to the nature of the mobility questions in use, as these questions may not be of relevance to women in the top wealth quintiles. This was also the case for the effect of the region of birth; accounting for the social context the region of birth turned into insignificant.

A woman's position in the household had somehow different effects on our two dimensions of empowerment. Being a daughter or a daughter in law versus a spouse decreased empowerment in the decision-making context and had no significant impact on empowerment in the mobility model. While being a temporary head, as compared to a spouse, increased empowerment for both dimensions.



The share of sons among her children had no significant impact on mother's empowerment no matter the dimension tackled. While having children of any gender increased empowerment in the decision-making context and decreased it in the mobility model. This result confirms the idea that women's domestic responsibilities and child care commitment may affect negatively women ability to go out of the house and hence their mobility as well as her labor force participation. It was also found that the increase in the numbers of adults living in the same household affects empowerment negatively in both dimensions.

Women's economic status and background as measured by her contribution and the contribution of her family in marriage cost had a positive impact on her empowerment only in the case of decision-making. A one-unit increase in that share increases the odds of empowerment by a factor of 0.208. Surprisingly respondent's parents' education had no effect on her empowerment. While father's employment status was found to be an important determinate of his daughter's empowerment in both dimensions. A woman whose father has any of the job categories- with the exception of private regular waged worker that had a positive but insignificant impact- is less empowered as compared to a woman whose father is a waged worker in the public sector.

Finally, the age gap between the respondent and her husband decreased empowerment. Husband employment status was found to have a more pronounced significant impact in the case of decision-making although still most categories had no significant effect. A woman whose husband is a formal waged worker in the private sector or outside the labor force or manpower has greater empowerment as compared to a woman's whose husband is a waged worker in the public sector.



Table 2: *Estimated Parameters for MIMIC Model for Decision and Mobility with Community Variables*

VARIABLES	Decision Making	Mobility
Age	0.000295*** (9.00e-05)	0.000170** (7.79e-05)
Age square	-2.56e-06* (1.35e-06)	-8.03e-07 (1.23e-06)
Age at first marriage	-7.73e-05 (0.000117)	-1.42e-05 (0.000109)
Age at first marriage square	8.43e-07 (2.50e-06)	-1.26e-06 (2.25e-06)
Age gap between her and her husband	-5.07e-05*** (1.31e-05)	-4.44e-05*** (1.19e-05)
Her education status (Reference: Illiterate)		
Literate but no basic education	-0.0656 (0.0503)	0.0302 (0.0427)
Basic Education: (prim and prep)	-0.0236 (0.0295)	0.00641 (0.0189)
Secondary	0.00569 (0.0261)	0.00227 (0.0213)
Post Secondary: Middle Institute	-0.0470 (0.0420)	-0.0691** (0.0320)
University & post University	-0.00930 (0.0332)	-0.0156 (0.0397)
Her status in the household (Reference: Spouse)		
Daughter/ Daughter in law	-0.139*** (0.0366)	0.0146 (0.0410)
Temporary head	0.334*** (0.0792)	0.310*** (0.0525)
Others	-0.00919 (0.0948)	0.0359 (0.0929)
Her daughter in law living with her	-0.0257 (0.0726)	-0.0359 (0.0641)



Share of boys in her children	0.0143	0.0272
	(0.0207)	(0.0224)
Do you have children?	0.0336**	-0.246***
	(0.0171)	(0.0386)
Number of adults within the household	-0.0300***	-0.0126**
	(0.0110)	(0.00586)
Share marriage cost	0.208***	0.0778
	(0.0611)	(0.0565)
Father Employment status (Reference: Public Wage Worker)		
Private regular wage worker	0.0136	0.0210
	(0.0247)	(0.0235)
Private irregular wage worker	-0.107***	-0.0580**
	(0.0282)	(0.0245)
Employer	-0.0552***	-0.0296*
	(0.0198)	(0.0169)
Self employed and unpaid family worker or for others	-0.0335	-0.0281
	(0.0305)	(0.0208)
No job	-0.230***	-0.242**
	(0.0635)	(0.0981)
Parents Education (Reference: Mother's education lower than her father's education)		
They both have same level of education	0.000366	0.00620
	(0.0212)	(0.0160)
Mother's education is higher	0.0345	0.00474
	(0.0490)	(0.0341)
Household's Wealth (Reference: First Quintile)		
Quintiles of household wealth = 2	0.0255	-0.0204
	(0.0237)	(0.0204)
Quintiles of household wealth = 3	0.0333	0.00585
	(0.0233)	(0.0210)
Quintiles of household wealth = 4	0.0314	-0.0292
	(0.0293)	(0.0250)
Quintiles of household wealth = 5	0.0360	-0.0682**
	(0.0293)	(0.0328)



Her husband education with respect to hers (Reference: he has lower education level)		
They have same education	-0.0362*	-0.0121
	(0.0211)	(0.0164)
He has higher education level	-0.0271	-0.0372*
	(0.0216)	(0.0202)
Husband 's employment status (Reference: Wage Worker in government or public sector)		
Formal wage worker in formal private sector	0.109***	0.0419*
	(0.0325)	(0.0248)
Informal wage worker in private sector	0.000358	0.0269
	(0.0200)	(0.0187)
Employer	-0.0138	-0.00687
	(0.0247)	(0.0208)
Self employed	-0.0340	-0.0200
	(0.0357)	(0.0167)
Unpaid family worker	-0.0904	0.102
	(0.0585)	(0.0692)
Unemployed	-0.0388	-0.00630
	(0.0583)	(0.0491)
Outside labor force	0.0927**	-0.00942
	(0.0468)	(0.0392)
Outside manpower	0.127**	0.0978*
	(0.0553)	(0.0590)
Born in rural areas	0.0212	0.0362
	(0.0511)	(0.0362)
Community Characteristics		
Share of illiterate male among males of 18 years and plus at the governorate level	0.0446	0.0545
	(0.0495)	(0.0393)
Share of female wage workers among all wage workers at the governorate level	0.0941**	0.0888***
	(0.0411)	(0.0306)
Share of households with access to sewerage system at the governorate level	0.0183	0.0262
	(0.0457)	(0.0385)

Ratio of women agreeing that an employed woman is not a good mother	-0.0953*	-0.0607*
	(0.0508)	(0.0314)
Ratio of women agreeing that a woman should be financially autonomous	0.00985	0.0131
	(0.0414)	(0.0246)
Ratio of women agreeing that a man can beat his wife for any reason	-0.123***	-0.0477**
	(0.0416)	(0.0227)
Ratio of women agreeing that FGM should continue	0.0438	0.0919***
	(0.0406)	(0.0202)
Observations	8,796	8,796

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

CONCLUDING REMARKS

The present paper focuses on the social context as a main determinant of women empowerment in Egypt. It analyzed the impact of social context in addition to individual, socio demographic characteristics, on two dimensions of Egyptian women's empowerment; decision-making power and mobility. In line with the literature most of our determinants had different impact on women's empowerment based on which dimension is under investigation. The impact of community and individual characteristics on empowerment vary depending on the dimension investigated, confirming that empowerment is a multi-dimensional phenomenon, with women relatively empowered in some aspects but not in others.

Our results show that local context plays an important role in determining Egyptian female's empowerment, in addition to the traditional individual and socio demographics characteristics. Although some of our community level variables were statistically insignificant⁸, including them in the analysis managed

8 Performing a joint significance test to these variables proved that they are jointly significant.



to explain 6.9 and 4.4 percentage points of the variation in decision making power and mobility, respectively due to observed and unobserved community characteristics at the governorate urban/rural level.

It is evident that the most important community level characteristics that determine Egyptian women empowerment are the shares of employed women at the governorate where she lives and women self-esteem as reflected in higher share of women rejecting violence. While, the level of education of the community was not found to be significant.

Accordingly, and in line with the theoretical approach used in this study, which consider gender relations as greatly affected by community norms and values, our results showed that social context is a strong predictor of women's empowerment. This highlights the importance of viewing women empowerment and hence development as social and normative transformations rather than just a shift in individual actions.

Finally, these results have important implications for policies targeting Egyptian women empowerment. First, policies must pay more attention to changing the gender stratification system and its normative foundations at the local level. Second, the results also suggest that policies to enhance females' education and provide greater employment opportunities may definitely contribute to women's empowerment at least in some respects.

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APPENDIX

Appendix 1: *The Decision and Mobility Indicators*

For the decision-making power inside the household, five indicators (D_i) are used. Each respondent was asked the following questions:

1. Who take the decision for making large household purchases?
2. Who take the decision for making household purchases for daily needs?
3. Who take the decision concerning what food should be cooked each day?
4. Who take the decision concerning getting medical treatment or advice for yourself?
5. Who take the decision concerning buying clothes for yourself?

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Answers of these questions take the following values:

- $D_i=5$: *Not Applicable*.
- $D_i=4$: if the respondent takes the decision alone.
- $D_i=3$: if the respondent takes the decision with her husband.
- $D_i=2$: if the respondent takes the decision with her husband and her in laws.
- $D_i=1$: if the respondent does not participate in the decision at all.

For mobility, women were asked if they need no permission ($M_i=4$), have to just inform them ($M_i=3$), need permission ($M_i=i$) or cannot go alone ($M_i=1$) or not applicable ($M_i=5$) when going to:

1. Local market
2. Local health center.
3. Health center for the children.
4. Friends or relative houses.



Appendix 2: Average Values of Community Level Variables at the Governorates Level (%)

Governorates	Share of illiterate male	Share of female wage worker among all wage workers	Share of households with access to sewerage	Share of women thinking that FGM should continue	Share of those thinking working women are not good mother	Share of those agreeing that a woman should be financially autonomous
Cairo	24	26	94	44	5	24
Alex.	28	20	82	44	7	26
Port-Said	23	26	86	28	2	23
Suez	24	20	89	72	4	17
Damietta	45	15	54	37	1	14
Dakahlia	39	15	71	76	3	18
Sharkia	40	15	34	77	4	18
Kalyoubia	35	14	46	65	2	19
Kafr-Elsheikh	44	14	23	68	7	29
Gharbia	34	17	38	63	7	22
Menoufia	32	20	34	74	15	19
Behera	44	12	35	39	3	22
Ismailia	34	17	41	67	3	19
Giza	37	17	50	69	5	17
Beni-Suef	47	23	15	71	3	11
Fayoum	47	12	38	68	4	15
Menia	47	16	14	54	3	15
Asyout	43	15	12	57	7	25
Suhag	46	12	15	70	10	17
Qena	38	9	10	75	6	15
Aswan	28	17	36	82	7	19
Luxur	33	18	30	79	10	26
Egypt	27	16	39	63	5	19

Source: Computed by authors from Census (2006)-IPUMS, EDHS (2008) and ELMPS (2006)

Appendix 3: Output of the Likelihood Ratio Test

Assumptions	LR chi2	Prob > chi2
Mobility Models		
The Mobility model with only individual variables (Mobility Model -1) is nested in the Mobility Model with region dummies (Mobility Model-2)	136.54	0.0000
The Mobility model with individual and region dummies variables (Mobility Model -2) is nested in the Mobility Model with governorate dummies (Mobility Model-3)	634.88	0.000
The Mobility model with individual and dummies variables (Mobility Model -2) is nested in the Mobility Model with community Characteristics (Mobility Model-3)	432.68	0.000
Decision Model		
The Decision-making model with only individual variables (Decision Model -1) is nested in the Decision-making Model with region dummies (Decision Model-2)	302.00	0.000
The Decision-making model with individual and region dummies variables (Decision Model -2) is nested in the Decision-making Model with governorate dummies (Decision Model-3)	1107.03	0.000
The Decision-making model with individual and dummies variables (Decision Model -3) is nested in the Decision-making Model with community Characteristics (Decision Model-4)	761.61	0.000



Appendix 4: Estimated Impact of Empowerment on the Different Indicators for Decision Making Power and Mobility (MIMIC)

		Decision Making Power			
Who take the decisions for:	large household purchases?	Household purchases for everyday?	what food should be cooked daily	getting medical treatment for yourself	getting clothes for yourself?
Empowerment	1 (0)	2.594*** (0.242)	2.201*** (0.311)	1.377*** (0.135)	1.439*** (0.130)
Mobility					
Freedom to	go to Local market	go to Health center	take children to health Center	to visit relatives and friends	
Empowerment	1 (0)	3.262*** (0.286)	1.855*** (0.176)	1.969*** (0.132)	

Robust standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1



THE SPA AND SEASIDE RESORT IN THE DEVELOPMENT OF EURO- MEDITERRANEAN TRAVEL AND TOURISM – THE CASE OF BRIJUNI ISLANDS

NATAŠA UROŠEVIĆ

Juraj Dobrila University of Pula, Croatia

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The paper will offer a new perspective in elaboration of key phases of the tourism development on the Brijuni Islands, by analysing their important function as an élite Mediterranean spa and seaside resort in a transnational framework. The author will show how cultural practices and patterns of tourist behaviour, characteristic for European early spa and seaside resorts, spread throughout Mediterranean during the 19th and early 20th century. Similar to an established network of European spas, transnational cultural transfers and common features characterized also a Euro-Mediterranean network of climatic seaside resorts. Many of them developed on the place of ancient spas and aristocratic residences, such as the first modern élite resorts in Italy and France. We can follow a similar process in the Adriatic, where first climatic spas patronized by royalty attracted a fashionable clientele. The author explored and compared some of the well-known island aristocratic residences, such as the Isle of Wight, the Hyères Islands, Capri, Mallorca, Corfu and Brijuni. The conducted research indicated that the beginnings of modern tourism in the Adriatic followed existing patterns of the European leading spa and seaside resorts. The main contribution of this paper would be in linking revitalisation of unique cultural heritage with a local tourist tradition as a model for sustainable development.

Key words: Mediterranean, tourism, European spa, seaside resort, Adriatic, Brijuni



INTRODUCTION

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In the history of European travel and tourism, the Mediterranean has a central position, as a contact zone characterized by intense transnational mobility and intercultural encounters: „It is where the continents of Europe, Africa and Asia meet and where North faces South in an asymmetrical relationship. Its histories—of Greece and Rome, of Christianity and Islam, of modernity and tradition—have evolved through exploration, trade, pilgrimage, imperial expansion, imaginings, vacation and migration“ (Crowley et al. 2011). In the historical constructions, from Braudel (1949) to Horden and Purcell (2000) to Abulafia (2011) the Mediterranean has been central to the development of humanity since known history began, remaining a focal point of international affairs as well as of the European tourism demand. After the destabilizing economic and political consequences of the 2008 crisis and Arab uprisings of 2011, it has found itself recently as the centre of the transnational migration flow between Africa, Asia and Europe. New social dynamics including, on the one hand, the terrorizing of tourists and tourism spaces and concomitant securitization of travel and border politics, and local communities protesting against over-tourism on the other, point to the crises of the existing model of the political economy of Mediterranean tourism (Bianchi and Selwyn 2018). Balancing between constant changes in the global market, influenced by political and economic insecurity, Mediterranean destinations, often in the maturity stage of their life cycle, seek to reposition and reinvent themselves to maintain competitiveness and market share.

The making of the modern Mediterranean tourist industry started where Braudel’s history ends, as Lofgreen points out, with the period of gradual decline of the Mediterranean world during the seventeenth and eighteenth centuries, when the economic and cultural focus of Europe was shifting to the north-west and the Atlantic coasts. During the following centuries the Mediterranean world turned into a European periphery and the new imports were tourists, as the region became a destination for northern European elites in search of classic culture. For



them, the journey south was not only a journey back in time but a search for the roots of Western civilization, and thus an important educational project (Lofgreen 1999). From the Grand Tour to wintering on the French Riviera, in Italy, Malta, Egypt or Greece, the European aristocracy followed the ancient itineraries, discovering, inventing and popularising Mediterranean destinations, attracted by the rich legacy of antiquity, the abundance of archaeological ruins and cultural heritage. Seeking health, cultural and spiritual uplift, and fleeing industrialized, highly urbanized western civilization, European middle class followed and copied the models of aristocratic leisure (Pemble 1987). The new era of democratization and industrialization of travel was accompanied by the emergence of mass tourism. Although the main motive became summer seaside vacation, the seasonal mass migrations continued in the same direction, southwards.

Over time the Mediterranean region has developed a unique blend of tourism activities associated with sea, health, sports, nature, business, as well as cruise and culture, offering consistent employment (11% of total employment) and economic growth (11% of regional GDP). Thanks to its unique combination of mild climate, rich history and culture, exceptional natural resources and proximity to major source markets, the group of 29 countries around the Mediterranean Sea is today the world's leading tourism destination. The largest tourist area in the world receives one-third of international tourists annually; three quarters of them come from Europe (Segreto et al. 2009) and three quarters of these arrivals are concentrated in just five countries (in order of importance: Spain, France, Italy, Turkey and Croatia). However, the economic growth due to tourism development has often been to the detriment of environmental integrity and social equity. Sea-Sand-Sun (3S) dependency, weak governance and degradation of cultural heritage, environmental pollution and resource depletion, contribution to climate change and climate vulnerability, political insecurity and social instability, economic and human capital leakage are some of the issues that threaten the long-term sustainability of the Mediterranean region and the tourism sector itself. Nowadays



three simultaneous crises are affecting Mediterranean tourism: social conflicts and political turmoil; terrorism and insecurity; and economic slow-down and unemployment (Fosse & Le Tellier 2017). On the other hand, according to Lanquar (2013), various crises (political, financial and economic) had no major impact on its growth, which confirmed the resilience of tourism in the Mediterranean and the huge potential in this sector.

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Current challenges particularly affect the countries that are most dependent on tourism, such as Croatia, where international tourists' expenditure amounts to almost 20% of GDP, by far the largest share in the EU. Croatia features a typical "sea and sun" tourism model with stays concentrated in coastal areas in the summer months, with the highest seasonality in the EU (Orsini and Ostojić 2018). Although the beginnings of tourism development in our region were characterized by some specific types of tourism (health and cultural tourism), which did not have a seasonal character, today Croatia is still positioned and recognized mostly as a summer destination. Such drastic seasonality, at the same time, represents a serious threat to the sustainability of the natural, cultural and social environment. In such a context, certain specific forms of tourism, which already marked the history of Croatian tourism, could be analysed as a sustainable alternative to seasonal mass tourism and a positive generator of change.

This paper will offer a new perspective in the elaboration of the key initial phases of the development of modern tourism in the Adriatic, by analysing as a case study the Brijuni Islands as an élite Mediterranean spa and seaside resort in a comparative and transnational framework. The author will show how similar cultural practices and patterns of tourist behaviour, characteristic for European early spa and seaside resorts, spread throughout Europe and the Mediterranean during the 19th and early 20th century. The conducted archival and field research indicated that the beginnings of modern tourism in the Adriatic followed existing patterns of the European leading spa and seaside resorts. The main purpose of the research was to find a model of revitalisation and sustainable valorisation of unique historical, cultural and natural heritage, using a local tourist tradition as a



model for sustainable future development. Combining archival and field research, the author explored and compared some of the well-known island aristocratic residences, which developed as popular seaside resorts in the 19th and 20th century, such as the Isle of Wight, the Hyères Islands, Capri, Mallorca, Corfu and Brijuni. Preliminary findings indicate the great potential for valorisation of the unique history, cultural heritage and revitalised spa infrastructure in reflecting on the sustainable future through responsible tourism that has marked the history of Brijuni Islands. Many Euro-Mediterranean destinations, often in the maturity stage of their life cycle, seek to reposition and reinvent themselves in that way. The main contribution of this article would be in linking the key elements of the local tourism tradition with responsible tourist valorisation through cultural, health and eco-tourism, offering in that way a sustainable development model for other Euro-Mediterranean destinations.

HISTORY OF MEDITERRANEAN SPA AND SEASIDE RESORT

The privileged groups of the population cultivated the first journeys for pleasure and leisure. As Lofgreen (1999) indicated, contrary to common beliefs, tourism existed long before the famous Grand Tour of Mediterranean Europe by English aristocrats. After first documented visits to famous monuments and relics of ancient Egyptian culture, ancient Greece and classical Rome also gave impetus to travelling and particular forms of holiday. Holiday travel became increasingly important due to the development of infrastructure and a well-developed road network. In the first century AD, there was already developed touristic economy which organised travel for individuals and groups, provided information and dealt with both accommodation and meals. The well-off Romans sought relaxation in the seaside resorts in the South or passed time on the beaches of Egypt and Greece. The classical world did not only have the “bathing holiday”, but also developed an early form of “summer health retreat” in thermal baths and luxury locations visited by rich urban citizens during the hot months. Something that had its origins primarily in healthcare soon mutated into holidays for



pleasure and entertainment (Gyr 2010). For Augustan society, the shoreline from Rome to Naples was comparable to the contemporary French Riviera. The most famous resorts were in the Bay of Naples, from Cumae and Cape Misenum on the west, to Sorrento peninsula just past Mount Vesuvius on the east. There, beautiful villas and seaside resorts reproduced the life and society of Rome in terms of social status and cultural habits: it was Rome away from Rome (Lomine, in Walton 2005, 69-87). Roman luxurious residences in the Mediterranean included the seaside villas and residential landscapes, such as the major tourist centers and aristocratic residences around the Bay of Naples or the *villae maritimae* (seaside villas) of the eastern Adriatic coast.

According to some recent research, Istria was exceptional in the scale and density of its coastal Roman villas. By contrast with some of the Italian *villae maritimae* which were wholly devoted to the pursuit of *otium* (enjoying from the natural setting restorative powers), many of the Istrian villas give good evidence for extensive production of oil and wine. As noted by Bowden, some of the Istrian villas around Verige Bay on the island of Brijuni, were built on a colossal scale with all the architectural ambition of the *villae maritimae* of the Tyrrhenian coast of Italy. Since the area was within easy reach of Italy (and of Rome itself), it is unsurprising that the villas of the region have strong similarities with their Italian contemporaries. Istria in particular, as part of regio X, was an area that had particularly strong links to the senatorial aristocracy of Rome, and this is reflected in the *villae maritimae* of the region, which are on a greater scale and aspiration to villas elsewhere on the Adriatic coast (Bowden 2018).

According to Begović and Schrunk, the Brijuni's maritime villa in Verige Bay is the most luxurious example of Roman maritime villas on the Adriatic coast it could be compared with opulent villas in the bay of Naples (villa Pausylipon), in ancient Stabiae, Sorrento, and above all, with the imperial villas on the island of Capri (villa Damecuta and villa Jovis). Like Brijuni, the island of Capri was an exclusive real estate, and its maritime villa displayed the socio-political stature of the elite in the Augustan period which was the time of unprecedented economic and political growth (Begović and Schrunk 2007, 50-52).

The Grand Tour, undertaken by young aristocrats between the 16th and 18th centuries, as an early form and precursor of modern tourism, was focused on the western Adriatic coast and the rich cultural heritage of southern Italy, neglecting the eastern Adriatic, burdened by constant conflicts on the Balkan “Triplex Confinium”. From England, the tours went on to the Mediterranean, trips to the classical sites of Italy representing the highpoint of the journey. During the early phase of modern tourism, which lasted from the 18th century to the first third of the 19th century, touristic travel remained confined to a minority of wealthy nobles and educated professionals. For them, travelling was a demonstrative expression of their social class which communicated power, status, money and leisure (Gyr 2010). The international spa resort, as the next stage of development of modern tourism, and as a site of leisure, health and pleasure, might provide its own cosmopolitan microcosm of high society. After Spa in Belgium, the late sixteenth and early seventeenth centuries were also the period which saw the first signs of the development of the English spas (such as Bath, Buxton, and Tunbridge Wells) as fashionable health resorts. Members of the higher classes took up residence in luxurious spa towns with newly built casinos, such as Baden-Baden, Karlsbad, Vichy and Cheltenham, where life centred around social occasions, receptions, balls, horse races, adventures and gambling.

According to Walton, the first seaside resorts, such as Brighton, Margate, Weymouth and Hastings, initially developed in early 18th century, primarily on the south coast of England to service the huge market of London, and later around the entire British coast, reflecting strong regional economic and urban development in the wake of the Industrial Revolution. In the 18th century the seaside resort spread to the Continent, from the French channel, Belgian and Netherlands coasts to North Germany and Scandinavia by the early 19th century. One of the first substantial English sea-bathing resorts which had a great early boost from royal patronage, was Brighton, as it became the favoured resort of the royal family from the late eighteenth century. The early rail communication



with London was a vital asset, which positioned Brighton as a specialized seaside resort by the dawn of the railway age in 1841, in the uniquely and increasingly competitive circumstances of the seaside holiday market in England. Opened to new influences, it made an early switch from a late autumn to a summer-dominated season, and managed to go down market by opening out to burgeoning middle-class demand while stily retaining an aristocratic image and reputation. Brighton also moved, early in Victorian times, from a predominant sea-bathing rationale to a basis in leisure, luxury and entertainment (Walton 1997, 48).

Modern tourism first developed in the highly industrialized and urbanized areas of Western Europe, thanks to a coordinated system of rail and maritime transport infrastructure. Rail lines, extended from Paris lines to Nice in 1864, helped fuel the subsequent development of the Côte d'Azur, which was created as a tourist destination by British aristocrats visiting Hyères and Giens, in the Var. Many came to the Mediterranean for milder winter weather and the English aristocratic tourists played an important role in establishing winter resorts on the Mediterranean and creating the winter season (Pemble 1987). Prominent personalities who helped promote tourism to the Mediterranean included the Prince of Wales in Monaco, Napoleon III in Nice, and Queen Victoria in Hyères (Gordon 2003).

Nice concentrated European demand for warmth, climatic comfort, health and high fashion, and its success in image creation was helped by the late Victorian rise of Monte Carlo and its enjoyably infamous casino within easy reach. Nice, moreover, retained its royal patronage, but it came from all over Europe and mingled excitingly with the new wealth of the Americas and the super-rich of other continents. On the other side, San Sebastian was faithful to the Spanish royal family, especially between 1887 and 1928, when the Queen Maria Cristina stayed there every summer in her modest residence. Under these auspices San Sebastian became the summer seat of government, exploiting at the same time a distinctive climatic reputation, and offering seasonal escape from Madrid's suffocation summer heat (Walton 1997, 49).

The key feature of European spas and seaside resorts was the high degree of similarity that they had to each other, not only due to the similarity of functions between spa and seaside, but also the huge influence of dominant centres. As indicated by Peter Borsay (Borsay and Furnée 2015), resorts simply copied each other and followed the leaders' models: there was the inclination among resorts to emulate, replicate and copy, by turning a dominant model as an exemplar. Powerful models of spa and seaside emerged, that were closely related to each other, and exerted a heavy influence on the form of new resort locations. The model spa and seaside resort evolved in key locations: Bath, Brighton and Blackpool in the UK, Spa in Belgium, Vichy and Nice in France, Baden Baden in Germany, Karlovy Vary (Carlsbad) in Czech Republic, etc. Though these models changed over time, they created a resort culture that shared many common elements – the search for health and the pursuit of nature, sociability, status acquisition and class assertion. The process of place emulation, and the transnational implications of this, can be seen in the way resorts were described: Opatija as “Austrian Nice”, or Brijuni as “a unique kind of spa, a garden by the sea, a rarity, perhaps only comparable to the Isle of Wight” (Urošević 2014).

According to Borsay, spas and seaside resorts encouraged mobility, cultivating trans-regional and transnational identities and norms. The 18th century Enlightenment origins of the modern spa and resort encouraged the adoption of a universalist culture which favoured metropolitan and international values at the expense of vernacular local ones. There was a tendency for spas and resorts to be engineered to deliver a common set of cosmopolitan practices and values, that can be seen in leisure facilities, social routines and rituals, patterns of behaviour, dress, architecture, and the performing and visual arts. This culture, and the success of a resort, depended not only upon investing heavily in real facilities, but also upon constructing an image that met visitor expectations and shaped their experiences. Written and visual texts – guidebooks, travel writing, novels, letters, paintings, posters and postcards - were critical in facilitating this. The resort models, and the common culture that



they promoted, encouraged a Europe-wide cosmopolitanism (Borsay and Furnée 2015). Though this was threatened by the rise of nationalism in the later nineteenth century, new technologies of travel and communication, allied to a broader process of globalization, have helped sustain the spa's and seaside's traditional role in promoting cultural transnationalism and a common Euro-Mediterranean heritage.

CREATING MEDITERRANEAN PARADISE

A prerequisite for the intensive development of modern tourism in the Adriatic was the creation of a coordinated system of railway and maritime communications. It began after the introduction of regular steamship lines of the Austrian Lloyd from Trieste to the Bay of Kotor in 1838, which enabled the access to the future Austrian Riviera, and the completion of the Southern Railway in 1857, connecting Vienna with Trieste and bringing the Viennese upper classes to the Adriatic. When the State shipping company, the Austrian Lloyd, introduced regular steamers lines along the Adriatic coast, a new culture and fashion of Adriatic cruises was followed by specialised travel publications, travelogues and travel guides, featuring the mild Mediterranean climate, exotic landscapes, and a rich cultural heritage. Thanks to the coordinated action of the visionary director of the Southern Railway Julius Schüller, who was inspired by the economic success of the seaside hotels and resorts built by English railway companies, as well as recommendations of experienced travel writers and physicians who studied therapeutic benefits of mild climate, Abbazia (Opatija) turned into the first seaside health resort on the Adriatic from 1844 to 1889. This combination of united efforts of ingenious entrepreneurs, inspired travel writers and scientists (whereby the scientists discovered, publicists promoted, and entrepreneurs created new tourist facilities) was to become the formula of success for other destinations too (Urošević 2014).

The first promoters of the Austrian Riviera were physicians, climatologists and climatotherapists, who studied and recommended the therapeutic benefits of the mild coastal climate with

a high concentration of aerosols and sea-water baths (Baskar 2010). Swimming and bathing did not become widely popular until the late 19th century, although the medicinal benefits of the sea air and baths had been known since the mid 17th century. The visitors from Northern Europe, mostly aristocrats, visited its South mainly in winter, until they discovered the charm of the warm Mediterranean, where the first seaside resorts in France in Italy were built on the English model (Walton 1997). The early development of Mediterranean destinations was based on restoration of health through climate rather than sea bathing. The leisured and genteel had long frequented Provence, and the French and Italian Riviéras were already becoming fashionable winter health resorts before the railways (Walton 1983, 38). Nice and its environs were emerging as winter climatic stations rather than sea-bathing resorts.

According to Walton, the formative and persisting importance of royal patronage of one sort or another stands out; and this was a recurring theme across Europe, from Ostende to Abbazia (Walton 1997, 50). The British aristocracy enjoyed Brighton and the Côte d'Azur, or wintered in Malta, Madeira or Egypt (Gyr 2010). Members of Austria's ruling Habsburg family also had an important role in promoting the new Riviera on the Adriatic. Some of them were pioneers of tourism in the Mediterranean, such as the Archduke Ludwig Salvator, who during his Mediterranean cruises 'discovered' and popularized many island destinations like Mallorca. Mallorca was obviously a model for the development of an exclusive archipelago resort, as one of the first 'Mediterranean paradises', which successfully attracted an elite aristocratic clientele and a cosmopolitan colony of artists and intellectuals (Walton 2005, 179-194).

Following successful models of international competition, in the era of industrialisation and democratisation of travel, the first tourist publications promoted the beauties of exotic landscapes and the economic potential of the hitherto neglected and forgotten Adriatic coast, encouraging tourist infrastructure development and seeking to arouse the interest and to sell travel – an escape from the urbanised, industrialised reality into a Mediterranean Arcadia (Urošević 2014). In these early literary



and visual representations, the Brijuni Islands have also been imagined and narrated as a Mediterranean paradise, utilised as the symbolic location for the idealised landscapes and aspirations of the Western imagination. According to Scheller, islands have a particular resonance in the imagining of paradise, due to their intangible qualities of separateness, exclusivity, and holism (Scheller and Urry 2004).

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The tourist gaze was constructed through various literary, artistic and media representations, tourism texts, images and narratives, which included distinctive and extraordinary features of the Adriatic cultural landscape, but also stereotypical images of the 'Mediterranean paradise' and cultural imperialistic projections of 'the Austrian South', highlighting the importance of the Austrian 'cultural mission' on the Eastern Adriatic. Thus, the travel literature reflected also current political issues, imperialistic ambitions and power relations, in the period when imperial ideology, and the entire modernist developmental philosophy, is reaching its apogee at the end of the 19th and the beginning of the 20th centuries (Mackenzie, in Walton 2005, 34). This period of intense imperial modernization, urbanization and tourism development in the Adriatic area, as a specific contact zone and meeting point of Mediterranean and Central European culture, was characterized also by competing processes of national building (Italian, Croatian and Slovenian) which contributed to creation of multiple, hybrid, transnational identities (Balota 2005).

BRIJUNI AS A EURO-MEDITERRANEAN SPA AND SEASIDE RESORT

Although sophisticated spa establishments and culture existed already in the Roman times, the beginnings of modern tourism in the Adriatic, in the mid-19th century, were connected with development of the first seaside resorts, mostly climatic spas for winter tourism. After Opatija as the first modern tourist destination of the "Austrian Riviera", at the end of the 19th century new, modern climatic spas (Lošinj, Hvar, Rovinj, Brijuni) developed, which based their competitive advantage on the benefits



of a pleasant climate, sea, sun, aerosols and Mediterranean vegetation. The new “Austrian Riviera” used as a model the French Riviera and experiences of the most famous spa resorts in Western Europe.

In 1893, the Viennese industrialist and steel magnate Paul Kupelwieser bought uninhabited malaria-ridden islands at the entrance to the leading Austrian naval port of Pula. Twenty years later, on the eve of the World War I, the Brijuni Islands had been transformed into an elegant health resort, a world-renowned elite seaside destination, an exclusive meeting place for the European aristocracy, artists, and financial magnates, a symbol of cultivated relaxation, and a unique blend of nature and culture. The Brijuni Archipelago came to be known as a Mediterranean paradise at the foot of the Alps, a pearl of the Austrian Riviera, and an oasis of peace (Urošević 2014). Thanks to the frequent visits and extended stays of the Habsburg imperial family, close relations with the top industrial and military circles, and good maritime and railway connections with European capitals, shortly before the First World War, Brijuni developed into a focal point of social life on the Austrian Riviera, and an unique hub of technological and tourism innovations. As an Austrian counterpart to other prominent Mediterranean rivieras and resorts, Brijuni also had an extraordinarily important political, military and diplomatic function as an elite resort and cultural centre near the main naval port.

As we can read in the first tourist magazines (*Brioni Insel Zeitung*, 1910–1914) and guidebooks as well as in the collections of rare documents in the Austrian archives (*Kupelwieser Collection*), a hundred years ago, Brijuni was a year-round elite destination for cultural, health, congress, sports and ecotourism, linked to the whole Europe and the Mediterranean by coordinated rail and ship connections, with the peak of development in pre-war 1913 when 5 island hotels with 500 beds were visited by 5,000 guests, who could enjoy the island all year round, thanks to the newly opened swimming pool with heated seawater. The conducted research on rare collections in Austrian archives has shown that this first indoor swimming pool with heated sea water in Europe with a luxurious wellness center



was conceived as the centre of the future Brijuni spa complex (Urošević 2019). The prerequisite for the development of exclusive spa infrastructure was the eradication of malaria in the islands. In his memoirs (1918), Paul Kupelwieser describes that on November 18, 1900, he invited the famous bacteriologist Robert Koch, who eradicated a dangerous disease by the end of the following year. After an ambitious project of landscaping the English park on the island (by a forester and property manager Alojz Čufar), started the construction of water supply, hotels and associated infrastructure.

In the unpublished part of his memoirs, Paul Kupelwieser mentions plans for the construction of a sanatorium projected by the architect Kramer, in the framework of his ambitious plans to develop a health tourism resort: “I’m thinking about the future enlargement of our hotel resort through the arrangement of about 100 rooms in the hotel on the west coast of Brijuni, perhaps at the same place where a sanatorium was planned, not as a private joint stock company, but in the joint venture with our own hotel company and led by well-paid medical staff” (Kupelwieser 1917, 373–374).

In the publication *Die Bedeutung der Insel Brioni als hervorragender Climatischer Kurort der Nordadria*, we can read that immediately before the outbreak of the WWI, large investments were completed: the heated swimming pool, connected to the hotel rooms with a heated corridor, should be the centre of future development of Brijuni as a winter spa, insisted the Dr Otto Lenz in conclusion of his very informative guide (Lenz 1930). He also announced intensive equipment of the spa centre, the building of a new sanatorium, in addition to the existing hotels, where guests will be offered special treatments, massages and hydrotherapy, mud therapy, diets, and seawater inhalation, ‘as in Salsomaggiore spa’. The future spa and wellness centre would include a gym room and fitness in the pool, along with the unavoidable walks over 80 km of decorated paths. In conclusion, the indications for treatment were listed.

In a booklet *Spaziergänge auf Brioni* (Lenz 1926), the island’s physician, through a proposal of 12 walks through the picturesque Brijuni Islands, also recounts the history of Brijuni as a

modern European spa, elaborating a significant project to build a sanatorium in Madona Bay, which was planned before the start of the First World War. Because of the best climatic conditions in the Madona Bay, after a long period of reflection on arranging the winter sanatorium for convalescence, a joint stock company was organised. The plans were completed, the construction was approved by the Austrian command of the naval port (with the condition that the building be coloured green so as not to become the target of the enemy), the capital for construction was also ready; then the war came and blocked the project.

This information is confirmed by an unpublished development study from 1919, which is also kept in the *Collection*. After the war and in the year of Paul Kupelwieser's death, his heirs founded the Brioni joint stock company in 1919. The contract, held in the Department for the Rare Collections of the Austrian National Library, is one of the few documents related to the company's business (Kupelwieser 1919). This document, which presents a feasibility study and a strategic framework for further development of the islands at the same time, apart from financial structure (which includes both future British and US investors), mentions detailed ambitious development plans, including, for example, connecting the Veli Brijun to Mali Brijun (Brioni Minor) by a bridge, and further spreading of the health resort offer through a new sanatorium in Madona May, as well as new spa complexes on both islands. Another document related to this substantial investment, which was unfortunately interrupted by World War I, is an architectural project for a never-built health resort in the Madonna Bay, a work of the well-known architect, Eduard Kramer (who designed almost all hotels in Brijuni) dating back to 1915. Along with another unrealized project, a large 1905 seafront hotel, there is also a project for a large Kurhaus building that was to be built in Dobrika Bay. The spa building was supposed to be five stories high in the central part and only one floor in the wings. About 120 accommodation units were planned in this impressive health resort.

After the war, when, after great political changes, Istria and Brijuni fell under the authorities of Italy, only huge debts remained. Paul Kupelweieser died shortly after the collapse of the



monarchy in 1919. His son Karl continued his venture with less success, and new investments in golf and polo fields only increased the enormous debts. After additional family problems, he took his own life in 1930, and in 1936 Brijuni was sold to the Italian state.

VALORISING COMMON EURO-MEDITERRANEAN HERITAGE

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At the end of the Second World War, on 5th May 1945, the Brijuni Islands were liberated with the rest of southern Istria, and were under the control of the Yugoslav Government, in contrast to Pula, which was then under Allied control. Josip Broz Tito, the president of the Federative Peoples' Republic of Yugoslavia, came to Brioni on 20th June 1947 and declared them a residential area (Begović and Schrunk, 2007, 155-166). Since that time, extensive work had begun on their recovery from the damage inflicted by bombing. From 1952 to 1981, numerous foreign dignitaries visited Brijuni, including members of European royal families and highest-ranking diplomats. The summer presidential residence was built on the Island of Vanga. The Brijuni Islands were an important venue of historical meetings of the 20th century. In October 1983, the Brijuni Islands were declared a National Park.

Already in 1948, a year after Josip Broz Tito visited Brijuni for the first time, the Islands were declared a protected natural area. It is well known that a special section of Brijuni's history is connected with the Nonaligned Movement. The meeting of Tito, Nasser and Nehru on Brijuni in 1956 resulted in the Brioni Declaration, which marks the beginning of the Nonaligned Movement. To promote this legacy and tradition, it was planned to continue with activities connected with a global vision of a policy of peace with organization of international meetings at the highest level. Already after the designation as a national park and memorial site in 1983, it was planned to register the Islands on the UNESCO World Heritage List. The first development studies from 1985 (NP Brijuni 1985) suggested that the Islands, because of their historical and symbolic role, should be a site of an important scientific center or international



organization (the UN or the Euro-Mediterranean Center). The stationing of international organizations and scientific institutions in the islands (such as the Center for European Tourism, International Center for Research on Development, UN Office for International Cooperation and Economic Cooperation, European Federation of Natural and National Parks) would be accompanied by the organization of thematic conferences, seminars and workshops. In this way, the rich cultural, tourist and political history of the “Islands of peace” would be used as a symbolic capital and a basis for the ‘domestication’ of international scientific and research institutions. In order to preserve and protect the natural and cultural heritage as a key comparative advantage of the islands, another 1989 study by Institute for Tourism (NP Brijuni 1990) proposes the establishment of a European Environmental Laboratory of the Mediterranean (project to link conservation and experimentation) in to which the Croatian, Italian and European faculties would work jointly with the Mediterranean countries on the African coast. Such international networking and cooperation would allow continuation of successful tradition of scientific, cultural, diplomatic, and eco-tourism in the Islands.

REINVENTING THE EURO-MEDITERRANEAN SPA AND SEASIDE RESORT

In their turbulent history, from the Roman era to the modern times, the Brijuni Islands had a significant economic function, related to elite leisure, but also a prominent cultural, political and diplomatic role, as a residence and a venue of high-level international meetings. The research conducted showed how the modern tourism industry has become a dominant force shaping cultural landscapes in the Mediterranean region. Although the beginnings of European tourism were connected to longer stays in thermal, climatic and seaside resorts of members of European upper classes, motivated both by health and leisure, contemporary tourism most often refers to mass coastal tourism and seasonal migrations from northern Europe to the Mediterranean. Nowadays, many destinations in Europe and in



the Mediterranean are in the maturity stage of their life cycle, facing either stagnation or a decline in tourist numbers. Because of an increased competition of emerging destinations, the main goal of destination management in such resorts should be to devise mechanisms for rejuvenating their products and reinvent themselves. The survival of destinations, especially of traditional ones, whose product has reached maturity or stagnation stage depends on their ability to reinvent themselves, through better or unique market positioning accompanied by innovative marketing strategies. According to marketing experts, mature destinations whose products and infrastructure are dated, and accompanied by a tired or boring image, need to reinvent themselves through significant improvements in infrastructure, a range of products and more effective destination management (Weber and Tomljenović 2004).

Apart from the necessary investments in tourism and transport infrastructure, the solution for the more sustainable future might be perhaps found in the past, by using the local tourism tradition and heritage in spa and resort development. As we already mentioned, a hundred years ago, Brijuni Islands were a year-round elite destination for cultural, health, congress, sports and ecotourism, linked to the whole Europe and the Mediterranean by coordinated rail and ship connections. Instead of inventing the hot water again, the optimal solution would simply be to reach out to local best practice and 'reinvent' the destination as an elite Euro-Mediterranean spa and seaside resort, properly valorizing its unique history and heritage, including existing attraction base for health, cultural, scientific, congress and eco-tourism. This uniqueness could be further emphasized by some international heritage labels, such as the European heritage label or the planned nomination to the World Heritage list. Another possibility would be basing an international organization on the Islands.

In that way, the beauty of this unique Mediterranean cultural landscape and the wealth of its cultural heritage could be protected from environmental threats related to uncontrolled tourist development and adequately valorised in the broader Euro-Mediterranean context.

CONCLUSION

The paper synthesized the results of research on specialized rare collections and first tourism publications, as well as strategic documents, projecting a sustainable future of an elite Euro-Mediterranean resort in relation to the most successful periods in local and regional tourism history. Special emphasis was put on the development concepts and plans of the first owner of Brijuni, Paul Kupelwieser (1843-1919), presenting his very ambitious projects for the development of health, cultural and ecotourism, based on research of rare archival material.

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The conducted research elaborated very ambitious plans for the development of special interest tourism, which were not implemented because of turbulent political events and geopolitical changes in this specific border zone. On the other hand, the mentioned plans could be very useful today, especially considering the fact that special interest tourism is rapidly growing and is a strategic priority in the Croatian tourist offer. Special interest tourism, based on natural healing factors, unique cultural heritage and developed spa tradition is the priority of current strategic plans for the development of Croatian tourism, which could, according to experts, triple the duration of the coastal tourist season and reintroduce the year-round season that was usual in the beginnings of modern tourism.

The proposed innovative models of tourist valuation of cultural landscapes of special value, advocate an integrated approach to the management of cultural and natural assets through sustainable and responsible tourism. This implies a development concept that places cultural and natural heritage and limited spatial resources at the heart of the sustainable development of the heritage community, which is responsible for its sustainable valorisation, through specific forms of tourism that will respect local tradition through responsible innovation. The research, which included a combination of cultural-historical analysis, archival and field research with a review of recent theoretical literature and analysis of strategic tourism documents, in search of an optimal development model, linked issues of sustainable tourism development and valorization of valuable local



and Euro-Mediterranean heritage through specific selective forms of tourism (health, cultural, congress, sports and ecotourism), especially in areas of special importance such as national parks.

Based on the conducted research, a sustainable development model was proposed, which should respect the local tourist tradition and valuable Euro-Mediterranean heritage, valorizing the unique island cultural landscape precisely through sustainable and responsible forms of tourism that marked the history of Brijuni Islands: cultural, health, sports and ecotourism.

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EUROPEANISED OR SOVEREIGNIST APPROACH TO TACKLE IRREGULAR IMMIGRATION IN SOUTHERN EUROPE

ANNA MOLNÁR

National University of Public Service, Hungary

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MÓNIKA SZENTE-VARGA

National University of Public Service, Hungary

After the migration crisis of 2015 and the closure of the Western Balkan route, migratory pressure shifted towards the Central and Western areas of the Mediterranean. This article examines and compares the measures taken by the governments of Spain and Italy to tackle migration, especially irregular. First the theoretical framework is drawn for the analysis, together with the economic, social, cultural and political context. Then Spanish and Italian government policies on migration control mechanisms are classified, with a particular attention to externalization, and thus to the relationship of Spain with Morocco and Italy with Libya. Finally, the approaches behind the above-mentioned policies are investigated between 2015 and 2019, in the dichotomy of Europeanism and Sovereignism. The article is based on content and comparative analyses, and principally relies on the study of statistical data, opinion polls, political discourses and news items.

Key words: Spain, Italy, immigration, Europeanism, Sovereignism

INTRODUCTION

After the migration crisis of 2015, the number of irregular migrants arriving in Europe has decreased significantly and their itineraries changed. Following the deal between Turkey and the



European Union, leading to the closure of the Western Balkan route, migratory pressure shifted towards the Central and Western areas of the Mediterranean, affecting the frontline EU member states: Spain and Italy. This article examines and compares the measures taken by the governments of these two countries to tackle migration, especially irregular. First the theoretical framework is drawn for the analysis, together with the economic, social, cultural and political context. Then Spanish and Italian government policies on migration control mechanisms are classified, with particular attention given to externalization, and thus to the relationship of Spain with Morocco and Italy with Libya. Finally, in order to have a more comprehensive understanding, the approaches behind the above-mentioned policies and measures are investigated between 2015 and 2019 in the dichotomy of Europeanism and Sovereignism.

The article is based on content and comparative analyses. When available, the same sort statistics were used for both countries, such as the ones disclosed in Eurobarometer, in order to ensure that they were prepared using the same methodology and thus allowing comparability. If pertinent, data from national statistical offices and local organizations specialized in public opinion surveys were added. The research principally relies on the study of statistical data, opinion polls, political discourses and news items.

THEORETICAL BACKGROUND: GOVERNMENT POLICY APPROACHES

Governmental migration policies will be categorized not so much upon the concrete measures carried out to control, but more on the governmental stance behind them and other migration-related issues. This allows for a more comprehensive view, yet it must be emphasized that approaches can change very quickly. A basic distinction will be made between Europeanised and Sovereignist attitudes.

According to Featherstone and Radaelli (2003, 3) Europeanization at its widest meaning is a process of structural change that is closely linked to 'Europe', whereas in a minimal

sense it refers to a response to the policies of the European Union. By “Europeanized” approaches we understand the governmental attitude to Europeanization of migration or refugee policy, which is a bottom-up approach accepting top-down initiatives. Europeanization has widely been discussed and debated by researchers, and being a multifaceted process, it focuses on the impact of the EU membership and integration processes on different domestic policies and politics (Radaelli 1997; Cowles et al. 2001; Börzel and Risse 2003; Featherstone and Radaelli 2003; Radaelli 2004; Graziano and Vink 2007; Exadaktylos and Radaelli 2009; Bretherton and Mannin 2013; Ondřej 2017; Fricke 2020).

Immense literature has been produced on the topic of the Europeanization of migration and refugee policy as well. Migration and refugee policy had originally been dealt with on national level. After the Maastricht Treaty (1992) the Europeanization of these policies began with the creation of the third pillar of Justice and Home Affairs. The creation of the Schengen Area raised the need for stricter immigration policies. A turning point was the Amsterdam Treaty when the effective harmonization of these policies started. The Lisbon Treaty broadened the competences of the EU in the framework of European Area of Freedom, Security and Justice (Faist and Ette 2007; Hadj-Abdou 2016; Vatta 2017). According to Lahav (2004, 1) despite - and because of - the increasing integration on EU level, there are still differences among the member-states. The 2015 migration crisis has shown how difficult it is to create fast and effective answers at supranational levels (Basile and Mazzoleni 2019). Disappointment strengthened populist voices arguing that the transfer of power from the national to the supranational level not only needs to be stopped but the process should be reversed. This leads us to the sovereignist approach.

Sovereignism is closely connected to nationalism and promotes self-determination of the nation. This concept can be described as a certain ‘grievance’, a reaction with the goal of re-establishing the state’s sovereignty within a specific policy field (Basile and Mazzoleni 2019). The taking back of power can be interpreted as a zero-sum game (Kallis 2018, 294), in which



sovereignists win and supporters of the Europeanized views lose, therefore sovereignism is strongly divisionist. It is ‘us’ and ‘them’, ‘own’ and ‘foreign’, simplifying the world into two opposing sides instead of allowing for pluralism. According to Fabbrini (2019, 62) sovereignism is the “synthesis of the holy alliance between nationalism and populism, and Europeanism is the alternative position of promoting the project of an ‘ever closer union’”. A sovereignist approach to migration prefers national, unilateral solutions and / or bilateral options, including the externalisation of migratory policies. Europeanized stances on the other hand favour supranational answers, not renouncing national interest but not putting it in the forefront either, and trying to find a common solution that might be a win-win for all actors.

ECONOMIC, SOCIAL AND CULTURAL BACKGROUND RELATED TO MIGRATION

Located on peninsulas, Italy and Spain have traditionally been places of emigration. Millions of Italians and Spaniards left, for example, for the United States and Latin America in the 19th and 20th centuries. The direction of the migratory flows only changed in the last quarter of the 20th century. The transformation from an emigration country into a target and transit area took place during the last decades. Between 1971 and 2001, the number of legal immigrants increased more than ten-fold in Italy, from 120,000 to 1.4 million, and then in the following almost two decades multiplied by roughly four times, exceeding 5 million in January 2018 (Eurostat 2019; ISTAT 2018a). Their proportion in the overall population is 8.3%. The change in Spain started with the death of Franco in 1975, followed by the democratization of the country, accession to the European Community in 1986, economic growth from the second half of the 1980s, all of which played a part in turning it into an immigration destination. The several legalization campaigns for irregular migrants could have further increased attractiveness (Rodríguez-Planas 2012, 4; Finotelli and Arango 2011, 510). Registered foreigners numbered around 750,000 in 1999 in a population of 40.2

million, accounting for less than 2%. By 2018, approximately 4.6 million immigrants lived in Spain, comprising 10.1% of the population (Eurostat 2019; INE 2019).

Although both countries have had experience of migrations of the distant and not so distant past, the latter including emigration after the Spanish Civil War (Jancsó 2017, 121-124; Pethő 2009), South European guest workers in Western Europe after WW2, and even ongoing processes such as internal migration in Italy from the South to the North (Albahari 2008), which contributed to making these societies more open, the rapid growth of newcomers put this tolerance to test. According to the Eurobarometer survey during the refugee and migration crisis in 2015, the majority of the Italians interviewed (56%) stated that they had a negative feeling about immigration of people from outside the EU whereas positive answers formed only 34%. Spanish answers were quite different: 61% positive and only 27% negative (European Commission, EC, 2020a). The latter results are connected to the fact that Spain was not affected by the migration crisis of 2015. The number of irregular border crossings registered by Frontex on the Western Mediterranean Route was in fact smaller in 2015 (7,004) than in 2014 (7,243). Whereas in the 2015 Eurobarometer many EU citizens - including Italians - tended to consider immigration as the most important challenge, Spaniards indicated health and social security as the most pressing one (EC 2015, 31-32). In the national public opinion survey (CIS 2015), immigration figured only in the 10th place, after unemployment, corruption, economic problems, political elite and parties, etc.

The social and economic aspects of the immigration issue reflect a dichotomy that is difficult to resolve: immigrants both fulfil the need for labour and provide a challenge for social integration (Carli 2017; Fondazione Leone Moressa 2018, Taskuzina et al. 2017). Legal immigrants are important, and indispensable for the labour market; they also make significant contributions to the economies overall. According to a recent report on the immigration economy in Italy, 2.4 million employed immigrants (10% of total employment) produced €131 billion in added value (8.7% of GDP) and paid €11.5 billion



in social security contributions in Italy in 2017 (Fondazione Leone Moressa 2018). Large numbers of immigrants can be found in the construction industry, tourism, agriculture and in domestic work; typically labour-intensive sectors where informal employment is not uncommon (González-Enríquez and Triandafyllidou 2009, 111; Molnár 2012, 113). The presence of immigrant domestic labourers also made it possible for more Italian and Spanish women to work. Female employment grew most in regions with considerable immigration (Éltető 2011, 70). The most attractive areas for immigration in Spain have been Madrid, Catalonia, Valencia and Andalusia. The reason for the latter is not its level of development but its proximity to Africa and the availability of agricultural activities, which are not so attractive for the locals. In fact, foreigners fill a lot of vacancies in the job market that Spaniards (and Italians) would not. Therefore, they do not replace locals but are employed in a complementary way, raising the number of actively working people. This led to increased revenues (tax and social security). In 2005 a surplus of around €5 billion was created in Spain by payments of immigrants (Éltető 2011, 73). Yet if economic recession sets in, immigrants are increasingly seen as unwanted rivals, “blamed for unemployment rates, increased crime rates, and even disease” (Boulby and Kenneth 2018, 14).

Besides economy, another crucial aspect is demography. According to the Italian statistical office, ISTAT, it was in 2016 that the number of people in the country decreased for the first time since 1990. As of 1 January 2018, it is estimated that the population amounted to 60,483,973 residents, which is approximately 95,000 less than the previous year (ISTAT 2018b). The medium age is growing constantly: in January 2017 it was 44.9 and in 2019, 45.5 years (ISTAT 2019). Spanish tendencies are similar: the medium age was 42.5 in 2015, 43 in 2019 and is expected to be 44.9 in 2020 (Wordometer 2020). Immigration is necessary to slow down ageing. Yet the 2008 economic crisis, coupled with soaring unemployment in the first half of the 2010s, in particular among the youth, trimmed down pull factors connected to Spain. Entries, both legal and irregular, stayed low. In fact, people started to leave. 2012 was the first year when the

number of registered foreigners was lower than the previous one. By 2018 approximately 4.7 million foreigners resided in Spain; one million less than in 2010/11. The total population was of course affected and that of 2018 (46.7 million) actually equalled to the number of people living in the country in 2009. Whereas emigration dominated the 2010s, the recovery of the Spanish economy could reverse these trends and contribute to yet another change in the direction of the migratory routes in the future.

Altogether, Spain and Italy present similar backgrounds with rich past experience on emigration as well as similar challenges: immigration being relatively new, taken as a demographic and economic necessity yet also considered - especially in times of economic and migratory crisis - as a threat by the population. Based on these common features, we can expect converging trends in how Spanish and Italian governments tackle migration.

Political conditions

Political parties and governments depend on votes, and the opinion of the public has an impact on them and their behaviour. There is usually a correlation between the rise of the political right and times of crisis. The bigger the pressure - let it be financial, migratory, etcetera, depending on the nature of the crisis -, the stronger the population will react, and the more powerful forces of the political right together with nationalist and sovereignist voices might get.

All this is strongly connected to Euroscepticism, blaming the European project for the lack of success. Yet Italian and Spanish population traditionally have had confidence in the EU. In 2007, Eurobarometer survey showed that 58% of Italians trusted the European Union, against 28% who were expressing the opposite opinion. However, this began to change, and the original positive trends got basically reversed after the European debt crisis. Since then more Italians tend not to trust the EU. The difference between the two groups has been oscillating between 41% and 8%. According to the survey, in 2019 55% of Italian citizens - the majority - did not trust the European Union, and only 37% trusted it.



Table 1: *Trust in the EU*

Year	2007		2019	
	Italy	Spain	Italy	Spain
Tend to trust the EU	58%	65%	37%	47%
Tend not to trust the EU	28%	23%	55%	46%

Source: EC 2020b

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With respect to Spain, the 2007 data, similarly to Italy, show the support of the majority of the population for the EU (65%). Those against it made up only 23%. The turning point was 2010. Since the debt crisis the latter group gained strength, reaching a historically high 79% in 2014. However, Spanish domestic problems, such as a complete disenchantment with the traditional parties; a rearrangement of the political sphere without being able to have an effective government, and four general elections in four years, made the people revalue the European project and find it more attractive. In 2019, for the first time after a decade of scepticism, more Spaniards trust the EU (47%) than who did not (46%), though the difference is very slight (EC 2020b).

One might think that the changing trust in the EU, especially in times of dwindling confidence might affect the support for a common European policy on migration. Yet Italian and Spanish statistics show tendencies opposed to this supposition. The vast majority of the people of these two countries have always backed a European solution to migration and their proportion has not substantially changed between 2014 and 2019, a period for which Eurostat data are available and which includes the 2015 migration and refugee crisis.

Table 2: *Public opinion on a common European policy on migration*

Year	Spain		Italy	
	2014	2019	2014	2019
For	80%	84%	73%	67%
Against	9%	10%	19%	24%

Source: EC 2020c



73% of Italians and 80% of Spaniards were for a common European policy on migration in 2014. Results showed 67% and 84% respectively in 2019, a slight decrease in Italy and a slight rise in Spain (EC 2020c). Similar proportions figure in the statistics measuring support for the common European Asylum system: 69% of Italians and 76% of Spaniards were in favour (EC 2019a, 27-28).

In both countries the political right has gained strength in the 2010s. Immigration, especially irregular migration flows, the fears they generated and the securitization of the migratory issue all added to this support, but were not the only factors, and the firming up of populist, nationalist and sovereignist ideas was as much related to international political trends as well as to domestic conditions, like the disillusionment with the traditional political parties.

It was during that decade that the traditional bi-party system made up by the Spanish Socialist Workers' Party (PSOE) and the People's Party (PP) came to an end. New parties started to attract Spanish voters, such as Podemos and Ciudadanos, as well as the far-right Vox, the latter founded in 2013. Although it participated in all four Spanish general elections between 2015 and 2019 - December 2015, June 2016, April 2019 and November 2019 -, it could get no seats on the first two occasions. The 2019 elections, however, brought about a substantial change: Vox obtained more than 10%, and for the first time after the death of Franco in 1975, the far right got its share from the national political scene. The principal reason was the complete disappointment with the Spanish domestic political establishment. Yet it must not be forgotten that 2017-2018 brought about increased migratory pressure on the country, turning out to be a migratory crisis. In 2018 almost 40% of detections of irregular migrants at EU borders were made along the Western Mediterranean route leading to Spain, which then became the most frequented one by people heading towards Europe (Frontex 2019a, 16-17). The growth of irregular migration caused anxiety and fears, contributing to the increasing



appeal of Vox,¹ which, as a first step, managed to get 12 seats at the Andalusian parliament at the regional elections in Southern Spain. Although by 2019 the migratory situation changed, as arrivals dropped drastically, Vox could not only retain but increase its support: it obtained 10.26% in the April 2019 snap general elections (Elecciones Generales 2019a) and 8 months later, at the November 2019 general elections became the third most powerful party, getting approximately 1 million votes more.

Immigration seems to worry the Spanish less these days: numbers are smaller and Spaniards have severe domestic problems to face. According to the 2019 November questionnaire results, the most important challenges of the country were 1) unemployment 2) politicians in general, political parties and politics; 2) economic problems and the 3) independence of Catalonia. Immigration got 11.3% overall and figured in 9th place (CIS 2019, 3). This, combined with a strong support for the EU in Spain, reaffirms the statement at the beginning of the paragraph: the support of the far-right stems more from negative voting. Yet the migratory question is not negligible, and can exert influence when the pressure is on. A stronger Vox, as well as the voters behind it, can influence government decisions on migration and contribute to the politicization of the migratory issue.

In Italy the financial-economic and migration crises contributed to the political crisis of the so called second republic. The social support for sovereignist and anti-immigration political parties has also been on the rise. Although the portion of foreign citizens living in Italy has not increased in recent years, the

1 The 100-point program of Vox contains several references to immigration. For example, “Point 17. Doing away with the call effect: any immigrant who enters illegally Spain, will be incapacitated for life, to legalize his or her situation and receive any kind of support from the administration. [...] Point 26. Fortify our borders. Construct an impassable wall in Ceuta and Melilla. [...] Point 96. Boost a new European treaty in Brussels, in accordance with the concepts that the Visegrad Group defends related to borders, national sovereignty, respect for the values of European culture...” (Vox 2019).

social attitude towards immigration has changed significantly during the last decade as a result of the irregular migration and refugee crisis and the securitization of the phenomenon (Colombo 2018, 161-178; Castelli 2017, 318-331). The number of people who fear and reject irregular migrants and refugees started to grow in Italian society, and in 2017, immigration became a security problem for 40% of Italians (Termometro Político 2017a). Support for the sovereignist Northern League, which rejects immigration, reached 13.8% on 1 July 2017. When combined with the support for other parties, such as Forza Italia (13.8%) and the Five Star Movement (27.6%), the majority of Italians appeared to be against the immigration policy of the Italian government in 2017 (Termometro Político 2017b). At the 2018 general elections approximately one third of Italians voted for the right-wing coalition and another third, for the Five Star Movement, which thus could form the government with the League.

TYOLOGY OF GOVERNMENT POLICIES BASED ON MIGRATION CONTROL

Government responses to migration could be divided into migratory policies and integration policies. In case of Spain they form two sub-systems, as integration is more of the competence of the autonomous governments, thus integration policies could differ within the country, whereas the migratory policy is more united, as it is “dominated by a single actor – namely, the central state” (Bruquetas-Callejo 2011, 315). Yet with the shifts in the political power relations and changes in government, migratory policies do undergo changes. Instead of integration policies, this paper focuses on migratory ones.

A common and general feature of the migratory policies of Italian and Spanish governments is that they are re-active, that is, they respond to challenges that already exist. According to Aparicio Gómez and Ruiz de Huidobro (2008, 164), this approach has caused improvisation or haste. The control mechanisms used were grouped by Acosta (2010, 81) as taking place at the territorial border, inside it (internal controls) and outside



(remote controls). Brochmann (1999, 12-14) distinguished between external and internal control mechanisms, to which another category - the externalized - was added by Doomernik and Jandl (2010, 204). The latter means “exporting the control agenda”, turning the countries of origin and transit into buffer zones (Pérez 2010, 101). Doomernik and Jandl (2010, 209) wrote about an expansion of state control into various dimensions: inward (more requirements from migrants, a kind of ‘personalized control’), backward (more controls within the country) and forward (control outside the borders).

This de-territorialization or outsourcing of migration policies has been under criticism for weakening the protection of human rights and for creating “Fortress Europe”. Nonetheless, an externalisation of migration policy can be observed both in the cases of Italy with Libya as well as Spain with Morocco.

Spain – Morocco

Spanish-Moroccan relations have had their ups and downs, tensions stemming from irregular migration, drug trafficking, fishing and territorial disputes over Ceuta and Melilla (Arango and Philip 2005, 262). Nonetheless, bilateral cooperation with Morocco was sought by all Spanish governments independently of their political adherence. A Treaty of Friendship and Cooperation was signed in July 1991 and entered into force in 1995. An accord on the circulation of people, the transit and readmission of illegally entered foreigners was signed as early as in 1992. Later it was followed by other agreements in 2003 and 2007, for example related to unaccompanied minors. Relations were for a while strained around 2010 because of territorial disputes but got much better from the end of 2011. The newly elected Prime Minister, Mariano Rajoy (PP) travelled to Morocco on his first official visit - just like his predecessors - (BBC 2012). But this time the trip was followed by a reunion of high level in autumn - not held since 2008 - (Prime minister and 7 ministers from the Spanish side) and a state visit by King Juan Carlos in 2013. Recently there has been another hub in the bilateral nexus; in February 2019 King Felipe VI paid an official visit to Morocco, accompanied by several members of the

Spanish government (of Pedro Sánchez, PSOE). Eleven bilateral agreements were signed as well as a memorandum of understanding for the establishment of global strategic association (La Vanguardia 2019b).

The trade relationship is asymmetric: Spain is the most important partner of Morocco (22% of exports and 24% of imports), whereas 3% of Spanish exports went to Morocco and 1.6% of imports originated from the North African country in 2017 (OEC). Yet it is crucial for Spain. “Morocco is increasingly assuming an intermediate position linking African and Mediterranean migration systems” (Berriane 2015, 504). It is the principal transit route for sub-Saharan migrants moving to the other side of the Mediterranean and also a pool of emigrants itself. If Morocco controls the numbers who leave, Spanish authorities need to tackle fewer irregular migrants at their own borders. Due to the stability in Morocco - unlike in Libya - the deployment of migratory control to the North African country has been rather effective.

Italy – Libya

Libya has played an important, but always difficult role in Italy’s foreign policy due to colonial heritage and the embargo imposed on Libya during the Gaddafi regime (Ronzitti 2009, 126). The signing of the Treaty on Friendship, Partnership, and Cooperation between Italy and Libya in 2008 was a significant improvement. It also brought about the drop of illegal immigration via the central Mediterranean. The numbers fell from 64,300 in 2009 to 4,500 by 2010 (Ronzitti 2009; Molnár 2011; Molnár 2019).

Libya has traditionally been one of the Mediterranean centres for human trafficking, - and following the collapse of the Gaddafi regime in 2011 -, the unstable situation allowed human traffickers to act with impunity, resulting in the consolidation and better organization of smuggling groups. The flow of irregular migrants and refugees increased after 2013. More than 170,000 people reached Italian shores via the central Mediterranean route in 2014 (four times more than the previous year), 153,946 did so in 2015, and 181,126 in 2016 (Frontex



2019b). Following the closure of the Western Balkan route after the EU-Turkey deal of March 2016, the numbers have grown further. In the first six months of 2017 more than 90,000 people had chosen this route and thus Italy. Measures to cut down numbers included the enhancement of the effectiveness of the Libyan Coast Guard and the introduction of code of conduct for NGOs that rescue migrants in the Mediterranean. Migratory pressure did decrease on Italy: during the last six months of 2017 only 29,000 more irregular migrants arrived. In 2018 the total number of irregular border crossings dropped by 80% on this route to 23,485. The majority of newcomers actually arrived from Tunisia to the Italian coasts, not from Libya (Frontex 2019b).

Italy has unsuccessfully supported the strengthening of the internationally recognized Libyan unity government through all possible means (e.g. the Hippocrates mission, deployment of two military ships to Libya and the decision to send 100 Carabinieri to Libya's Southern border (Ministerio della Difesa 2016). In February 2017, moreover, Italy and the National Reconciliation Government of Libya signed a memorandum of understanding on cooperation to combat illegal immigration and human trafficking, and on reinforcing border security.

Government answers in Italy

After the migration and refugee crisis, Italian governments have dealt with irregular migration using both bilateral (e.g. memorandum of understanding between Italy and Libya) and European crisis management tools (e.g. EUBAM Libya mission), balancing realist (pragmatic, but not sovereigntist) and "Europeanized" approaches.

In April 2015, 700 people died in the Mediterranean close to Lampedusa. Four days later, the European Council launched an EU military operation, EUNAVFOR MED, to help resolving the situation. This Common Security and Defence Policy (CSDP) operation, highly supported by Italy, was deployed in May. According to critics, however, its search and rescue activity acted "as a magnet" for irregular immigrants (House of Lords 2016, 18).



The Italian government supported the introduction of the refugee quota system, and asked repeatedly for a review of EU regulations on asylum policy and for the creation of a common asylum system (Rainews 2015). Italy's ability to influence EU policy was enhanced by support from other major EU member states such as France and Germany (Partito Democratico 2015a). Italian governments between 2015 and 2018 worked hard to strengthen European and multilateral cooperation to tackle the crisis. Therefore, Italian politicians were disappointed with the slow distribution of refugee applicants across the EU, and with the rejection of the quota system by some member states, including Hungary. Still, they were aware that without effective agreements with the countries of origin, and without tackling the root causes of migration, neither the establishment of the quota system nor the creation of EU reception facilities would provide an adequate solution.

In March 2016, the Italian and German interior ministers proposed an ambitious reform of the Dublin regulations, an adjustment of the Common European Asylum System, and the establishment of a European Asylum Agency. They wanted to see effective repatriation activities, the extension of Frontex's tasks, and the creation of an EU Border and Coast Guard Agency to strengthen the external borders. This would have meant the reinforcement of the external dimension of EU migration policy (la Repubblica 2016; Council of the European Union 2016, March 4). One month later Italian Prime Minister Matteo Renzi made his proposal, which, again, amounted to the externalization of migration policy. The first step of his strategy - Migration Compact - was identifying partner countries to cooperate with on migratory issues (Governo Italiano 2016a, 2016b).

In 2016, another increase in migration across the Mediterranean (181,126 people) made it clear that, in the absence of comprehensive European policy tools and without the cooperation with the Libyan partner, EUNAVFOR MED Sophia could not counteract the activities of smugglers and reduce the pressure on Italy. Therefore, in June 2016 the EUNAVFOR MED Sophia operation was reinforced with the supporting tasks of training the Libyan Coast Guard and the implementation of



the UN arms embargo (European External Action Service 2016; European Council 2016, June 20; Council Decision 2016).

The Italian governments of Renzi (2014-16) and Gentiloni (2016-18) on the one hand highlighted the importance of the elaboration of a genuine European asylum policy (Partito Democratico 2015b) and the signing of readmission agreements with partner countries, and on the other hand, emphasized the need to save lives first and foremost. The migration policy of Italy resembled the EU's "global strategy", which featured the "principled pragmatism" of trying to find a solid balance between normative and moral duties (Biscop 2016), and the pragmatic management of migration.

The policy tools introduced by the EU and Italy have contributed to a decrease in the number of arrivals via the central Mediterranean route since 2017. In the long run, however, it is the security environment that needed to be stabilized. Rome used both bilateral and European multilateral tools, but the various Italian governments have all expressed disappointment and resentment that Italy has been left virtually alone in dealing with the crisis (Molnár 2015, 14). According to the Eurobarometer survey the number of Italians who were in favour of a common European policy on migration started to decrease between 2015 and 2019 (EC 2020c).

After the general elections of 2018 La Lega and Movimento 5 Stelle gained power and made irregular migration a national security issue. The immigration and refugee policy of the new Eurosceptic, sovereignist and populist coalition differed considerably from the former governments. The foreign policy priorities of that coalition were "caught between continuity and change, radicalism and pragmatism" (Marrone 2018, 1). As it was emphasized in the so called "Contract for the government of change", one of the main priorities was the reduction of irregular flows, the acceleration of repatriation and the revision of the Dublin Regulation (M5S International 2018, May 18).

When Matteo Salvini became minister of interior of the new government, Italy's migrant and refugee crisis policy turned more radical. Italian ports were shut down in front of the rescue ships of NGOs (e.g. in the case of Aquarius ship in 2018)

and the new government started to criminalise those NGOs and securitize this phenomenon. The number of conflicts multiplied between Rome, the EU and other member states, such as Spain (Strazzari and Grandi 2019, 336-337). Rome refused the EU's proposal on the reform of the Dublin system in June 2018 (Marrone 2018, 1), and thus turned down the Europeanised solution. During the mini-summit of 24 June, Conte proposed the "European Multilevel Strategy for Migration". The Italian strategy called for shared responsibility among MSs (European Multilevel Strategy for Migration 2018). After a heated debate among member states a compromise on migration policy was reached during the meeting of the European Council. The new compromise mentions the "support for the Sahel region, the Libyan Coast Guard, coastal and Southern communities, humane reception conditions, voluntary humanitarian returns, cooperation with other countries of origin and transit, as well as voluntary resettlement". Point 12 of the Conclusions declares that the Dublin Regulation should be reformed upon consensus on the bases of a balance of responsibility and solidarity (European Council 2018).

Prime Minister Giuseppe Conte tried to balance between the sovereignist approach of Matteo Salvini and the less radical position of the other fraction of the coalition, the M5S, while still supporting the legislative initiatives of the latter. This approach was expressed when Conte told in the European Parliament in February 2019 that "faced with the massacre of human lives we must all together wage a fight on traffickers without quarter. Let us stop remaining divided, giving in to nationalist or regionalist logic, and let us try to put into practice an authentic solidarity" (ANSA 2019).

Government responses in Spain

Spanish governments have long insisted that an arrival in Spain is an arrival in the European Union, that is, migration is a common issue of the EU which needs to be tackled together, with solidarity among member states and forming a common migration policy. Slow action on behalf of, and disagreements within



the EU, however, coupled with a growth in migratory flows towards Spain as well as protracted domestic political crisis, have made decision makers partially revise their stance.

Migration was not a hotly debated issue in Spain in 2015, as only a small portion of irregular migrants headed towards the Iberian Peninsula. The Spanish migration crisis took place in 2017-18, after the change in migratory routes following the 2015 European migration crisis. Since 2015, the number of detections of irregular border crossings at the EU's external borders has considerably reduced, from 1.8 million in 2015 to a mere 150,000 in 2018 (Frontex 2019c, 16). However, the closing of the Western Balkan route shifted pressure of irregular migration from the East towards the Central and Western part of the Mediterranean. Then with Italy's closed ports policy, the Western Mediterranean Route became the most frequented one (Frontex 2019c, 6-17). This was not the first migration crisis in contemporary Spain, the 2006 Cayuco crisis, when about 40,000 West Africans had crossed to the Canary Islands, can be considered as an antecedent. Nonetheless, the memories and images connected to the Cayuco Crisis as well as to the European Migration Crisis did not calm feelings, on the contrary, in the second half of the 2010s they arose anxiety and fears. These responses appeared in a time of acute political crisis, in the midst of serious doubts over the governability of the country. It is no wonder, that migration and in particular irregular migration became more politicized as before and increasingly securitized.

Pedro Sánchez (PSOE), Prime Minister since June 2018 - with Mariano Rajoy (PP) removed from office due to corruption charges - got international attention because of opening Spanish ports to Aquarius, a ship carrying more than 600 rescued migrants, which had been turned away by Italy and Malta. The Spanish step can be interpreted in several ways, as a message of solidarity; an effort on behalf of Sánchez to gain popularity - the acceptance of the ship was one of his first decisions -; a disposition and call to tackle migration on a European, multi-lateral level; an effort to shame the Italian leadership and / or to improve the international image of Spain.



Regardless of what we think about it, one thing is sure, this policy of open ports, and in general, immigration-friendly attitude, was not maintained. Those activities that could act as a magnet for irregular migrants were suspended or altered. Rescue ships were no longer welcome; they could not dock, faced obstacles in leaving Spanish ports or fines, for example Proactiva Open Arms and Aita Mari (Julio 2019; La Vanguardia 2019a). The tasks of the Spanish civilian rescue mission, Salvamento Marítimo, were reorganized. It was placed under a central command headed by several ministries, and its operational field has been extended in the Mediterranean Sea with the consequence of being able to pay less attention to the most frequented zones (Fine and Torreblanca 2019, 5-6). The result could be fewer lives saved and the crossing getting more dangerous.

Salvamento Marítimo rescued 6,077 irregular migrants in 2016, 17,666 in 2017 and 49,688 in 2018 (Sasemar 2018, 6). The numbers are a clear indication of the mounting migratory pressure. The latter is also visible in the increase of the pertinent Frontex budget. Frontex deploys the Hera, Indalo and Minerva joint operations (JO) with the Spanish authorities at the country's maritime borders to reduce irregular migration, human, and drug smuggling. The 2017 budget of these JOs was roughly 10,000,000 euros. The sum was more than doubled for 2018, and amounted to 20,439,161 euros altogether (EC 2019b).

As arrivals kept on growing, and having reached no EU-level agreement on migration and asylum policy, Spanish leaders sought the help of Morocco. This bilateral 'containment deal' proved to be very effective: detected irregular arrivals fell by 50%, from 64,298 in 2018 to 24,159 in 2019 (Martin 2019).

The Socialist Party wanted to look firm and capable of handling the situation, trying to take the wind out of the sails of the right and far-right. Nonetheless, the support of the People's Party grew between the April and the November general elections by 4%, and the radical Vox achieved its best electoral result ever in November 2019, reaching 15,09% of total votes (Elecciones Generales 2019b). After this surprising result something unprecedented followed in Spanish political life since the democratic transition: the formation of a coalition, making it



possible to create a minority government of forces on the political left (Spanish Socialist Workers' Party and Podemos). The presence of Podemos in the government might bring a change into Spanish migration policy. The party's 2019 electoral program emphasized the re-enforcement of legal and secure ways of getting into Spain, the easing of family reunifications and Spanish naturalization, the necessity of a new asylum law which includes climate migration, and the bolstering of Sea Rescues Service. Zero death in the Mediterranean Sea was indicated as a goal for 2020 (Szente-Varga 2017, 214). "The work of the NGO of rescue in the Central Mediterranean will be protected [...]. We will guarantee the absolute respect for human rights in our Southern frontier" (Podemos 2019). The program of the Spanish Socialist Workers' Party called for an integrated approach, saying that this complex challenge can only be addressed by multiple means that combine "respect for the human rights of the migrants, cooperation with the places of origin and of transit, control of irregular migration, fight against human trafficking, as well as integration policies" (PSOE 2019, 187) including easier access to Spanish nationality. The outcome for 2020 will probably be a compromise of the two forces within the coordinates of Spanish political realities and international trends, and could bring about the softening of the Spanish position - especially if there is also shift in Italy towards a more open attitude. The dismantling of fences around Ceuta and Melilla, Spanish cities in North Africa, has already begun.

CONCLUSIONS

At no period could we find a government in Italy or Spain with a clear-cut Europeanized or sovereignist migration policy. Politicians tended to employ a number of measures including some supranational and some bilateral / unilateral steps. It is the proportion of these policies that shifted based on changes in the economic, social, political and international environment. More pro-EU governments preferred a more Europeanised and multilateral strategy, whereas more Eurosceptic governments resorted to a more sovereignist or de-Europeanised approach,

usually carried out in a unilateral or bilateral / intergovernmental way, also preferring to externalize migratory policies. Yet it was always a mixture of different measures. We should not be misled by acts of communication. Far-right political actors might use a sovereignist rhetoric but “in reality they face various constraints (such as the interests of business leaders and the obligations arising from international and national human rights laws) in trying to adopt corresponding policy measures” (Reslow 2019, 35).

An additional factor influencing decisions which needs to be added here is the type of borders a country has. When it is a land border, it is more likely that governments try to exert control by fortifying it, building some kind of obstacle to divert migratory routes. The 1990s saw Spain join the Schengen zone and also the construction of border fences around its African possessions, the cities of Ceuta and Melilla, the only land border with Morocco, later re-enforced several times. In 2005 in Melilla the barbed wire was topped with razors causing several injuries, thus they were taken down in 2007 but reintroduced on $\frac{1}{3}$ rd of the fence in 2013, alleging migratory pressure (Cembrero 2013). Whereas land borders have tended to be tackled by unilateral or bilateral means, the search for multilateral tools is fostered by the peninsular geographic conditions of Spain and Italy and the existence of sea borders. In case of sea arrivals, it is not a line but an area which has to be supervised, needing cooperation with other actors.

Migration is a complex issue and can be tackled efficiently only on the international level. Spaniards and Italians living on the Southern flank of Europe, have long been aware of this. Unsurprisingly, support for the EU as well as European migration policy has been rather high both in Italy and Spain. However, the slow and ineffective reaction of the Union with respect to the 2015 migration crisis caused disappointment and strengthened fears related to immigration. It also led to an “EU-initiated collective securitization of the Schengen space” (Ceccorulli 2019, 302) and the elaboration of a Europeanised toolkit, e.g. the so-called quota system, the launching of new CSDP and Frontex missions or operations. The events of 2015



represented an internal crisis for the EU. Not only did the crisis cause difficulties to the host country facilities and create political division within and among the member states, but it also threatened the existence of the Schengen Area (Ceccorulli 2019).

Simultaneously with the deepening of the crisis, first the Hungarian government (since 2015) and later the Italian (since 2018) and to some extent the Spanish one (since 2018-2019) started to rely more on sovereignist crisis management tools with strong securitization of the migration phenomena (Waever 1995; Waever and Buzan 1993; Balzacq 2005, 171-201; Balzacq 2008, 75-100; Balzacq 2011; Balzacq et al. 2015). “The securitization of migration is [...] a transversal political technology, used as a mode of governmentality by diverse institutions to play with the unease, or to encourage it if it does not yet exist, so as to affirm their role as providers of protection and security and to mask some of their failures” (Bigo 2002, 65). The issue of migration has become an electoral issue in the analysed countries and has clearly been used for internal political purposes, too.

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ENERGY DEVELOPMENTS IN THE EASTERN MEDITERRANEAN REGION AND GEOSTRATEGIC IMPLICATIONS ON THE CYPRUS ISSUE

EVAGHORAS L. EVAGHOROU
University of Piraeus, Greece

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The Eastern Mediterranean energy issues have geostrategic implications for the states in the wider region. The states' goals to ensure strategic and economic benefits in the energy field intensify competition between them, while the following tension directly affected the efforts to resolve the Cyprus problem. This article focuses on the region's geostrategic and energy developments in order to analyse the strategic behaviour of states involved as well as their impact on the efforts of solving the Cyprus problem.

Key words: Cyprus issue, Eastern Mediterranean region, energy issues, Republic of Cyprus

INTRODUCTION

The Cyprus problem has always been a crucial international policy issue both affecting and being affected by the Eastern Mediterranean political developments (Ker-Lindsay 2008; Evaghorou 2014). The discovery of hydrocarbon deposits in the Eastern Mediterranean, as well as in the Exclusive Economic Zone (EEZ) of the Republic of Cyprus (RoC), and the efforts for the extraction of hydrocarbons, altered the region's geopolitics putting the balance of power within it at risk along with any possible developments in the Cyprus issue¹. At the same time,

1 For the total oil and gas reserves in the Mediterranean Sea which in the near future will completely change the gas market in the region, see at Kostianoy and Carpenter (2018).



despite the long periods of their interruptions, the negotiation efforts between the Greek-Cypriots and Turkish-Cypriots in order to find a viable solution are still ongoing. Moreover, the negotiations are significantly affected by the other states' interventionist role and their specific interests in the region.

All in all, this article examines the geostrategic changes in the Eastern Mediterranean, especially under the hydrocarbon discovery prism and the competition of the states with interests in the region. Furthermore, it analyses the political positions and the strategic choices of the states involved in the Cyprus problem and the energy issues developments. Our purpose is to present and interpret the issues arising with regards to the strategy and security of states that are directly or indirectly involved in the Cyprus question and the hydrocarbons discovery in the Eastern Mediterranean.

THEORETICAL BACKGROUND AND METHODOLOGY

The case study analysis is based on the international relations' theory and more specifically employs the theory that has at its core the interstate competition to ensure national interest (Waltz 1979; Morgenthau 1993; Mearsheimer 2001). The main theoretical argument is that states in a competitive international environment, seek to secure their national interests through struggle for power and profits (Gilpin 1981). Taking for granted that the international system is anarchic and that self-help rules (Waltz 1979, 105–107; 111–112), the study examines how powerful and powerless states try to realize their strategic objectives. Additionally, this analysis accepts a priori that the relations among states have a strong competitive character and states' strategy, either for alliance or for cooperation, is the result of their rational behaviour to protect their national interests (Glaser 2010). The fields of interstate competition vary, while states compete for economic, political, geostrategic and energy gains. More specifically, regarding the Cyprus issue, states compete for control of territories, control of sea lanes and exploitation of resources. In addition, based on the fact that in



regions with rich hydrocarbon reserves there is an intense competition between states for hydrocarbons control, as well as an intense intervention by the great powers in order to serve their energy interests, the analytical concept of energy security is a critical and important theoretical basis for the analysis of this case study (Bashir 2017, 288–290; Vivoda 2017, 87–89).

Methodologically, the article tests an empirical hypothesis using a specific theory. In this context, as it has already mentioned at the introduction and the theoretical background section, this article examines the assumption if the existence of hydrocarbons in the Eastern Mediterranean and the Cypriot EEZ affects the developments in resolving the Cyprus problem, and if so, to what extent. The contribution of this article lies on the examination of the new political circumstances that have arisen in the Eastern Mediterranean due to the discovery of hydrocarbons and the explanation of the states' involved in the region strategic positions.

THE STRUGGLE FOR POWER IN THE EASTERN MEDITERRANEAN

A number of states are involved in the competition for profits in the Eastern Mediterranean², which is intensified by the hydrocarbons' discovery in the region (Bornstein 2018, 1; Prontera and Ruszel 2017, 145). Although the natural gas discoveries in the Eastern Mediterranean are not likely to advance peace among actors in the region, gas trade between states that are already at peace with each other, can contribute to domestic prosperity, promote regional stability and strengthen the peaceful relations that already exist (Shaffer 2018, 90; Adamides and Christou 2016, 87). Meanwhile, finding a solution to the Cyprus problem constitutes a part of this mosaic. The RoC is located at the heart of this chaotic competition between large, medium

2 For the struggle for power in Eastern Mediterranean region see Evaghorou (2018).



and small regional powers³. The strategic positions and prospects of these states are therefore explored very carefully.

Due to its weakness, the RoC endeavours to survive through alliances with other powerful states or through participation in regional organizations like the European Union (EU) (Nugent, 2006). Moreover, the RoC currently seeks benefits from the hydrocarbons' exploitation in the Cypriot EEZ that has been discovered recently. The expected benefits from the extraction of hydrocarbons will strengthen the political and economic power of the RoC, reinforcing its credibility in the international system, a development that might contribute to the resolution of the Cyprus problem. The leadership of the RoC strongly believes that the strategy of making alliances with more powerful states than RoC regarding energy issues (like those with Greece, Israel, Egypt, and the US) can effectively contribute to the defence of its national interests (Tziarras and Mitchell 2015). Consequently, the RoC seeks to ensure its interests by equating them with the strategic interests of states that, unlike Turkey, respect the International Law, especially the Law of the Sea (Kariotis 2011, 47–49).

Since 1974, Turkish military occupies the northern part of the RoC's territory and constantly attempt to establish illegally an entity representing the Turkish-Cypriot community, which is not recognized as a sovereign "state" by the international community. Moreover, Turkey does not officially recognize the RoC. As a result, Turkey constitutes the main threat to the RoC's national security. Turkey is a powerful military state with hegemonic aspirations in the region of the Eastern Mediterranean (Erickson 2004; Evaghorou 2009). It also maintains strong relations with the Western states as, by virtue of its strategic position, it can best serve their national interests and particularly those of the US, besides the significant problems that have been emerged during the last years between the two sides (Kirisçi 2017, 7–8). These relations are mostly observed through its NATO membership. Consequently, Turkey continues to receive

3 For the Cyprus problem see Kontos (2014) and Warner (2016).



special treatment by the Western allies with regards to the Cyprus problem as well as the arising energy issues, although sometimes Turkish-Western relations are characterized by tension.

However, during the last decade, the relations of Turkey with some countries in the West have deteriorated, among others, because of its hostility towards Israel and its primarily attitude towards the so-called Islamic state (ISIS). Particularly, Turkey was accused by Westerns of supporting ISIS (Krauthammer, 2015). Although Turkey after the accusations participated in the coalition against ISIS, Western countries continued to face it with distrust. Additionally, the last years Turkey seeks to develop its strategic relations with Russia, mainly through the purchase of military equipment, which creates concerns and reactions by the US. This conjuncture could negatively affect Turkey in a possible settlement regarding the Cyprus question. Turkey insists on a solution which would allow it to establish a satellite-state, ensuring its permanent and legitimate presence in Cyprus. In this scenario, it could also exploit the mineral wealth in the Cypriot EEZ for its benefit. Turkey seeks to maintain its strong presence in the Eastern Mediterranean, which is interpreted into aggressive policy towards Cyprus and efforts to control the exploitation of hydrocarbon deposits in the Cypriot EEZ⁴. Hence, the strategic control of Cyprus by Turkey is directly linked to the state's security and the Turkish strategic aspirations for hegemony in the Eastern Mediterranean region, as well.

Apart from the unresolved Cyprus problem, it should be noted that Turkey faces a plethora of other foreign policy issues. A number of states, particularly the great powers that have a military presence in the Eastern Mediterranean, do not accept the Turkish aggression, while they are suspicious of the Turkey's policy in the Syrian crisis (Kanat 2010). For these two reasons, many EU countries are sceptical towards Turkey. Due to the fact that Turkish foreign policy is often against the Western interests, the great powers may limit their support for Turkey's

4 For Turkey's offensive policy against Cyprus see Evaghorou (2009).



position regarding the solution of the Cyprus problem and energy issues in the Eastern Mediterranean.

Greece is another state that is traditionally involved in the Eastern Mediterranean competition and in the process of resolving the Cyprus problem due to its historical and ethnic ties with the RoC. Nevertheless, due to its financial problems during the last decade, Greece's influence is somewhat limited (Tziampiris 2013). It is true that Greece's economic problems and its borrowing from Western financial institutions together with its long-established strategic position of absence from the Cyprus problem negotiations, do not allow Greece to play an important role in the Cyprus problem settlement. This deprives Greece of future strategic advantages in Cyprus, especially in relation to the Greek-Turkish competition and the exploitation of hydrocarbons. Simultaneously, Greece does not have any specific strong strategic plan regarding the exploitation of hydrocarbons that could possibly be found in the Greek EEZ.

Despite its economic decline, Greece tries to strengthen its relations with Cyprus and Israel in an attempt to develop a new strategic framework with the neighbouring countries on both security and defense and energy issues (Stergiou 2013; Tziarras 2016). The Greek policy involves joint military exercises with both Cyprus and Israel and most probably with Egypt in the future (Damiras 2014), in order to empower its political and strategic presence in the region despite its economic problems. Moreover, Greece proceeds with the establishment of agreements with other states in the region, such as Israel, Egypt and RoC, for the energy transportation from the Eastern Mediterranean to Europe through pipelines, such as the case of EastMed (Ruble 2017). Greece aims to promote issues relating to energy so as to intensify efforts in hydrocarbon exploitation in the Greek EEZ in the future. Regarding the Greek-Turkish relations, where Turkey is the main rival of Greece, the latter generally claims that Turkey systematically violates the international law in order to strike the Greek sovereign rights arising from it (Mazis and Sgouros 2012). Specifically, Greece argues that the Turkish state is still provocative towards the RoC, not only with the occupation and the presence of Turkish military



troops on the island but also using other practices that challenge the sovereignty of the RoC such as the presence of Turkish research vessels in the Cypriot EEZ.

The US is nowadays the only superpower in the international system and because of its primacy in international affairs as well as its ability to project its power around the world, plays a crucial role in the Eastern Mediterranean region (Chopsey and Brown 2014, 18–19). The US currently seeks to secure its hegemonic national interests in the Eastern Mediterranean, that concerns both the commitments of the NATO's member states and the economic benefits of the US companies involved in the region's oil and natural gas resources (El-Katiri and El-Katiri 2014). The US is primarily interested in maintaining the international stability so as to protect its hegemonic position, while at the same time it prevents others forces from challenging American hegemony (Ikenberry 2002). Regarding the Eastern Mediterranean, the primary concern of the US is to maintain stability. Therefore, the US requires its allies to operate in a collaborative framework in order to ensure the US hegemonic regional interests. In this context, the US gives its political and strategic support to those states that accept to operate according to the framework mentioned, in cases of disputes with other states. The allied states' obligations towards the US include firstly the maintenance of allied axes and secondly the assistance to them when needed. Thus, the US makes great efforts during the last years in order to restore the relations between Turkey and Israel, as these states play a crucial role in their hegemonic interests (Oğuzlu 2010). Additionally, the purpose of these efforts is to maintain a regional energy alliance with the construction of an undersea gas pipeline in the region under the Western control and also to stabilize the geostrategic balance in the region for the benefit of Westerns interests (El-Katiri and El-Katiri 2014, 33–37). Furthermore, the US tries to limit the relations between Turkey and Russia, by exerting pressures on Turkey, while uncontrolled Turkish actions affects the American hegemonic interest in the region, as well as the interest of the Western alliance. Regarding the Cyprus issue, the US is pressing for a solution to the problem that would sustain security and stability in the region



disregarding the consequences of any solution for the weaker state. By supporting positions that contribute to the achievement of the American interest, they become more complaisant with the Turkish claims regarding a settlement of the Cyprus problem.

Concerning Russia, it is a powerful state that could challenge to some extent the US hegemony in the Eastern Mediterranean. Even if Russia still has less power than the US, tries to regionally compete the US by maintaining client relations with the states in the Eastern Mediterranean as well as through the Russian military presence in the area. As for Cyprus, Russia's goal is to establish client relationship, both in energy issues and in military matters (Delanoe 2013; Krasnov et al. 2019). It is worth mentioning that although Russian energy companies controlled by the Russian state, had initially a particular interest to participate in the surveys and extraction of hydrocarbons in the Cypriot EEZ, they have not participated and are not involved in any schemes for the exploitation of hydrocarbons in the Cypriot EEZ till today. This is because any extraction of gas from the Cypriot EEZ, or from the Levant basin in general, is antagonistic to the Russian transport of gas to the European countries. On the other hand, sales of Russian weapons in the RoC are continued, a fact that shows Russia seeks to play a role in Cypriot affairs (Maslova et. al. 2019, 207). Furthermore, Russia seeks to play a role in the Eastern Mediterranean, because its national interests in Syria are now at stake. A serious deterrent in this effort is the US' and its allies' leadership in the region that distrust the Russian presence there.

Another important and key player in the regional developments is Israel (Adamides and Christou 2016, 86). Israel's main national interest is to ensure its security and protect the citizens from the threats coming from the Arab world and Iran (Catignani 2005; Inbar 2012). Israel is a major military power with ensured strategic opportunities in taking initiatives in the region assisted by its strategic alliance with the US. Moreover, its position is strengthened not only by its attempt to exploit the deposits located in the EEZ, but also by participating in strategic alliances with neighbouring states in energy issues. From this



strategic perspective, Cyprus is a safe geostrategic stronghold for Israel, capable to supply it with strategic depth in both the Eastern Mediterranean and Europe (Inbar and Sandler 2001). Thus, Israel has cultivated good relations with both Cyprus and Greece in recent years.

In contrast to the very good relations with RoC, the relationship of Israel with Turkey has been recently deteriorated because of the Mavi Marmara case in 2010 (Kosebalaban 2010; Barkey 2011). Nevertheless, it is noticeable that both Turkey and Israel are powerful states in the region that, regardless of the strained diplomatic relations, still maintain very good economic and commercial trade relations (which recently have been almost doubled, reaching 5.7 billion dollars) (Cagaptay and Evans 2012; Arbell 2015). The good economic and trade relations between the two countries, could make Israel adopt strategic and political positions in favour of the Turkish interests with regards to a possible settlement of the Cyprus problem, which constitutes a Turkish ultimate goal. However, the cooperation between Israel, Greece and the RoC on energy issues can positively influence Israel's attitude towards RoC.

Moreover, regarding the Israeli strategic position in the Eastern Mediterranean, it should be noted that not only the RoC and Greece but also Turkey approached Israel as a potential ally in the past concerning both energy and geostrategic issues (Nachmani 2005). This highlights the importance of Israel as a strategic ally for every state in the region, either in purely military or in energy matters. Regarding the Israeli intentions to cooperate with other countries in energy issues of the region, Israel seeks collaboration foremost with RoC in order to liquefy the gas and export it to third countries and then with Turkey in order to establish a channel of transportation for the natural gas. Of course, the cooperation between Israel and Turkey presupposes the improvement of their diplomatic relations, as the strained relations between them nowadays do not leave any room for collaboration on the energy level.

The emergence of neuralgic issues that the countries involved in the strategic affairs of the Eastern Mediterranean face reveals the geostrategic criticalness of the region (Prontera



and Ruszel 2017). It also reveals the high potential for conflict and the interweaving of the national interests of the states involved in the area's affairs (Stocker 2012). The degree of interstate conflict in the region becomes more intense with the recent discovery of hydrocarbons in the geographical region of the Eastern Mediterranean. Additionally, the conflict of states' interest in the region largely affects the efforts to resolve the Cyprus problem, as we will see below. Concluding, it should be mentioned that the national interest of each state depends not only on its power separately, but also on the degree of its alliances' success.

HYDROCARBONS IN THE EASTERN MEDITERRANEAN AND THE CYPRUS PROBLEM

The discovery of hydrocarbons in Cyprus EEZ and generally in the Eastern Mediterranean altered the balance of power and facilitated formations of alliance axes in the geographical area of the Eastern Mediterranean, changing also the status quo regarding the efforts on resolving the Cyprus problem (Khadduri 2012, 111–117). Estimations from two drillings conducted in 2011, in block 12, under the cooperation of US company Noble Energy, the Israeli Delek and British-Dutch Shell, show that the “Aphrodite” deposit discovered in this plot, is expected to hold 3.6 to 6 trillion cubic feet (tcf) of natural gas (Kostianoy and Carpenter 2018, 69), while another drilling, realized by the oil companies consortium of ENI and TOTAL, in block 4, reports that the “Calypso” deposit is estimated that contains 6.4 tcf (Kambas and Zawadzki 2019). Moreover, in March 2019, ExxonMobil, together with its partner Qatar Petroleum, estimated in-place gas resources in the deposit at 5 to 8 tcf of natural gas, in plot 10 of Cyprus' EEZ (Chrysopoulos 2019). On the other hand, it is estimated that the Eastern Mediterranean region, extended from Cyprus to Lebanon and from Israel to Egypt, hosts probably more than 340 tcf of natural gas (Lo 2017; Lavinder 2018). This estimation increases the geostrategic importance of the Eastern Mediterranean but also increases the interstate competition for the control of hydrocarbon resources.

As a result, and from a geopolitical point of view, the RoC has been upgraded and now it is able to build alliances on energy issues with Israel, Greece, Egypt, and Russia (Ioannou & Emilianides, 2014: 331). At the same time, Turkey became more aggressive, seeking to ensure strategic and economic benefits from the exploitation of hydrocarbons in the Cypriot EEZ, using the Turkish-Cypriot community of the island. As the hitherto researches and estimations on hydrocarbons quantities in the Cypriot EEZ show, a large part of its hydrocarbons stock is merchantable providing the RoC with the opportunity to attract investors from third countries and further reinforce its geostrategic position. RoC's geostrategic position has been upgraded almost since 2011 through agreements signed between the RoC and the foreign energy companies. The attraction of foreign companies with hydrocarbon operation from third countries, further enhance Cyprus' geostrategic security. In particular, the third countries protect the economic interests of these companies and as a consequence protect the RoC regarding its geostrategic threats. Therefore, the RoC pursues to limit Turkey's reactions regarding the extraction of hydrocarbons, as the Turkish threats against the RoC are, simultaneously, in opposition to the foreign economic interests.

Excluding Turkey from the access and the control of the deposits in Cypriot EEZ is geostrategically very important as it keeps the state out of the Mediterranean energy game. Insofar, as Turkey cannot change the existing status quo in Cyprus and benefit from a solution of the Cyprus problem, its exclusion from the energy reserves of the Cyprus EEZ will have negative consequences both for the relationship with its Western alliance, especially the US, and the competition with other states in the region. A change on the status quo in Cyprus, favorable to Turkey, would come through a solution plan for the Cyprus problem that would address Turkish interests. Conversely, the Greek Cypriot side, which represents today the RoC, is seeking a solution that will detach Cyprus from Turkey's control and from the Turkish exploitation of hydrocarbons, too (Mullen 2014, 8). For these reasons, exploitation of hydrocarbons in Cyprus EEZ would be a catalyst to achieve a final solution in the Cyprus problem (Gramer 2014).



In the framework of juxtaposition regarding the existence of natural resources in the Cypriot EEZ, the RoC supports that exploitation constitutes its exclusive right, based on the International Maritime Law, while Turkey argues that the Turkish Cypriots have also right to the hydrocarbons exploitation⁵. According to the international law, the right of the RoC to exploit the natural wealth of its EEZ could be realized only if RoC pursued the strategic choice to delimit EEZ with other neighboring states. It should be additionally mentioned, that invoking the international law assumes that a state has also the required power to defend its international law *acquis* as Thucydides (1972, 404) observed already centuries ago. In this context, RoC faces a lot of difficulties because of its weak position compared to the position of its main rival. On the other hand, Turkey demands to participate in the hydrocarbon exploitation process of the Cypriot EEZ because of its power over the RoC, supported by its alliance with the US, and also mainly because of the fact that geography, energy markets and political developments determine Turkey's role in the geopolitics of energy at the region (Austvik and Gülmira 2017). On a diplomatic level, Turkey claims that oil and gas will be converted into symbols of peace between Greek Cypriots and Turkish Cypriots⁶. On the pretext of protecting the Turkish Cypriots, Turkey also seeks to gain political and economic benefits from the pooling of hydrocarbons in the Cypriot EEZ.

Regarding the Turkish claims in the Eastern Mediterranean, Turkey strongly supports that it will not back away from its policy on the issues of energy and declares ready to protect Turkish rights and interests in the region (İşeri & Bartan 2019). This practice automatically puts Turkey in an intensely competitive environment *vis-a-vis* every country in the region with a focus on the energy issues (Babali 2009). The aggressive attitude of Turkey with regards to the hydrocarbon reserves in the Cypriot

5 For Turkey's positions with regards to Cyprus EEZ see Kariotis (2015, 50–56) and Mullen (2014, 11–13).

6 See Turkey's President statements in Christou (2015).

EEZ is related to its own energy needs. In order to satisfy its needs, Turkey covers the majority of its energy demands with natural gas especially from Russia and Iran (Gramer 2014). Given that Turkey cannot have a significant political influence in these two supplier states, as they are states with strong political and economic positions and compete with Turkey, it is trying to find other energy supply channels from weaker states. Consequently, Turkey seeks to achieve a diversification of corridors for energy resources that drive or pass through its territory and also to create alternative sources of energy supply for domestic needs. Under these conditions, as Cyprus and the Cypriot EEZ are geographical areas that meet specific Turkish demands, Turkey intensifies the aggression against the Cypriots' plans for energy issues (Johnson 2019). Moreover, the Turkish stance is connected also to the Turkish regional ambitions to become regional hegemon in the Eastern Mediterranean. As the "doctrine of strategic depth" promotes, the Turkish strategic vision is Turkey to become energy hub and transit route in the region (Murinson 2006; Marketos 2009). This will help Ankara's strategic goals to gain more power through energy in the Eastern Mediterranean. This is firmly associated with the Turkish revisional stance in the Cypriot EEZ and its plans to connect the recent discoveries with a pipeline towards Turkey (Kontos 2018). Additionally, it should be noted that a Turkish-Israeli strategic alliance in energy issues, which would facilitate the Turkish aspirations, would not be possible at this particular time because of the incomplete recovery of the cold relations between the two states and the unresolved Cyprus problem (Carlson 2016, 72–73).

In conclusion, the attitude of Turkey towards the energy sources in the Cypriot EEZ could be characterized as controversial, as it is in contrast to the Western interests. Particularly, on the one hand, Turkey challenges the sovereign rights of the RoC in the Cypriot EEZ putting itself against the western economic interests which are represented by the research and mining companies, and, on the other hand, seeks to strengthen its alliance with the US and its allies in order to promote its national interests regarding energy. Therefore, the strategic choices that



Turkey has to realize partially its national interests concerning the Cyprus EEZ are either to recognize the RoC, with the hope of gaining benefits from potential partnerships with other states in energy issues (according to the Ankara Agreement of 2005 with the EU, Turkey must recognize the RoC and normalize its relations with the latter); or to continue with increasingly aggressive tactics against the RoC that will lead to full control of the island but at the same time threatens the regional security.

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Energy issues in the Cyprus EEZ influence also the strategic positions of the other states of the Eastern Mediterranean. As far as Greece is concerned, it is observed the non-decisive action of the Greek state to assert all the rights arising from the operation of the Greek EEZ. Nonetheless, Greece endeavored to define the Greek EEZ with Cyprus and Egypt, which, if implemented, will lead to a significant upgrade of Greek positions on energy issues (Mazis 2013, 56). The undetermined stance of Greece regarding energy issues and cooperation with the RoC affects also the Cyprus problem solving, because the absence of Greece from the negotiation process encourages the Turkish aspirations and eliminates any expected benefits for the Greek national interest, too.

Regarding the Russia's action on energy issues in the Eastern Mediterranean, it should be noted, on the one hand, the strong Russian interest for a greater involvement and, on the other hand, the US reaction to the Russian plans. Specifically, with regards to the energy issues in the Cypriot EEZ, a possible Russian participation in energy planning is crucial for the future, since the presence of a country with such a geopolitical role in the region would make Turkey revise its revisionist ambitions (Gramer 2014). The Russian presence in energy issues of the Cyprus EEZ involves the participation of Russian companies in exploration and exploitation of hydrocarbons, with the support, of course, of the Russian state. As it has been seen, this fact has not materialized so far due to the RoC strategic choice to cooperate closely with Western states and the Russia's inability to be vigorously involved in the energy issues of the Eastern Mediterranean. The political positions and the stance of Russia towards Cyprus arise from the overall Russian national interests and most prominently from the benefits arising from the



energy resources exploitation in the Eastern Mediterranean. The friendly relations between Russia and the RoC do not necessarily imply Russia's full support of the Greek Cypriot positions on the Cyprus issue. Besides, Turkey remains a cooperative partner for Russia on energy issues.

Finally, another state that significantly affects the strategic relationships on energy issues in the Eastern Mediterranean and the Cyprus issue is Israel (Karagiannis 2016). The Israeli factor is really important as Israel is strategically a powerful state and as a result several states in the region seek to cooperate with it on energy issues (Inbar 2012). At the same time, Israel seeks to secure its own interests in energy issues focusing on energy self-sufficiency and maintaining high economic indicators in its national economy (Bahgat 2010). The primary energy goal of Israel was to become independent in the energy sector, a goal that achieved in 2018. This development helped the Israeli state to eliminate its dependence on energy imports from third countries and also to significantly upgrade its position on energy and transit issues. At the same time, it should be noted that if Israel wants to maintain its independence regarding the energy issues (Bahgat 2011), it will seek more strategic gas management solutions within the Israeli EEZ. The agreement concerning the delimitation of the EEZ with the RoC in 2011 and the agreement with Greece, RoC and Italy in 2018 regarding the construction of East Med (Chorev 2018), effectively laid the basis for achieving this goal. This could increase the chances of bringing the Israeli positions closer to Greek Cypriot positions regarding the solution of the Cyprus problem. A second strategic objective of Israel is to create an energy network, which would include Israel, Egypt, Lebanon, Jordan, Greece, and a "united" Cyprus after a solution, and to some extent Turkey. This objective may lead Israel to assist in resolving the Cyprus problem, which would conciliate the conflicts in the region and help the Israeli aspirations.

SEEKING A SOLUTION TO THE CYPRUS PROBLEM

Although the talks between Greek and Turkish Cypriots, conducted under the auspices of the United Nations (UN) in order



to achieve a solution to the Cyprus problem, still exist, they pass through long periods of absence from the negotiating table. During the periods when the negotiation process is in progress both the RoC and Turkey aim at finalizing the best possible plan to meet their national interests. The power of the two states is different and clearly affects the final outcome of the negotiations. With regards to the RoC, it should be noted that the economic crisis the Cypriot economy faced by March 2013 affected the negotiating positions of the Greek Cypriot side, as it created economic dependencies linked to its Western lenders. In 2019, the RoC recovered from the economic problems faced in the previous years and seems to have been overcome, even partially. Moreover, the existence of large hydrocarbon deposits in the Cypriot EEZ upgraded the RoC strategically and at the same time strengthened its position in the negotiations (Sitiildes 2015). Due to the significant strategic advantage gained from the existence of hydrocarbons in the Cypriot EEZ, the Greek Cypriot side, representing the RoC in the talks, has the opportunity to avoid unbalanced settlement projects that would be in favor of Turkey, as the Annan Plan was in 2004. The Annan Plan would essentially abolish the sovereignty of the RoC, and Greek Cypriots would have lost all the benefits that would result from the management of hydrocarbons. Nowadays, the RoC wants and tries to avoid such a resolution scheme. Turkey remains powerful compared to the RoC and uses its military force in order to push the Greek Cypriot side accept a solution through which the Turkish aspirations will be ensured.

The RoC insists that Turkey should stop its challenging behavior, that could flagrantly violate its sovereign rights (such, as marine research by Turkish research vessels in the territorial waters and announcements of Turkish NAVTEX violating the international law), in order to facilitate a solution (Morelli 2015, 12). In addition, the RoC rejects any kind of negotiations that include the possibility and perspective of co-exploitation of its natural wealth. Furthermore, with regards to the mediating role of the UN to the problem's resolution, the RoC argues that it should be constructive for a mutually acceptable solution and not blackmailing the Greek Cypriot side. It should also be

noted that the RoC officials argue that pressure from powerful states of the West on the RoC creates a negative environment in the whole negotiation process and does not help in finding a totally acceptable solution. According to their argument, if the unbalanced role of Western forces towards Turkey will be avoided, it may be more feasible for a solution to the Cyprus problem to be found. Finally, the Greek Cypriot side calls its allies in the European Union to show their real solidarity (Morelli 2015, 17). It should also be mentioned that the RoC's choice to maintain a strategic alliance with Russia ignores the reactions of the Western allies, especially those of the US. This has negative consequences for the RoC regarding the solving process of the Cyprus problem, as the West is going to strongly press the Greek Cypriot side. This fact will, in the end, benefit the Turkish positions.

Turkey's positions regarding the solution of the Cyprus problem are based on the objective of continuing military presence on the island. So, Turkey would advocate in favour of any solution plan that could secure this objective. The main Turkey's argument, regarding the military presence in Cyprus, is that it provides protection for the Turkish Cypriots. Turkey also argues that Turkish Cypriots have the right to reap the benefits from the exploitation of hydrocarbons located in the Cypriot EEZ and characterizes the actions of the RoC for exclusive exploitation of hydrocarbons as illegal (Yiangou 2014). Of course, as time shows, the real cause of the military presence of Turkey in Cyprus is the geostrategic control of the island, since it directly affects the safety of the Turkish state. Additionally, it should be noted that Turkey pursues a settlement of the Cyprus problem in order to create the appropriate conditions that will make Cyprus a satellite state. The control of Cyprus by Turkey is an important step towards the fulfilment of the Turkish hegemonic claims in the Eastern Mediterranean region.

Greece is a country historically linked to the solution of the Cyprus problem. The Greek state strongly defends the positions of the RoC, but does not seek a more active participation in the formation of any solution. This, of course, reduces the chance of gaining benefits from the exploitation of hydrocarbons in the



Cypriot EEZ. Moreover, it should be noted that due to the economic problems Greece currently faces, foreign policy issues are neglected. As a result, the state's positions and role in the solution of the Cyprus problem have been significantly influenced. The non-active participation of Greece in solving the Cyprus problem in the long term will have negative strategic consequences, as this stance will benefit its main opponent, Turkey.

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In addition, the catalytic role of the US in a final solution to the Cyprus problem should be acknowledged. Because of its global power, the US interventionist role in international affairs is really important. So, in the Cyprus issue US influence is intense. Concerning the international issues, such as the Cyprus problem, the US is usually in favour of the preservation of the global stability and security in order to secure its existing hegemony (Damiras 2014). For this reason, the US provides its strategic alliance to the states that serve this purpose. On this basis, the American stance in the resolving process of the Cyprus problem will be in favour of the state that best serves the security of the American hegemony in the East Mediterranean. In this case, Turkey as the strongest part in the Cyprus problem dispute and the most important ally of the US, will receive the US support.

Finally, it should be mentioned that in the current geostrategic conditions, particularly regarding energy issues, Israel could be an important factor in solving the Cyprus problem. Israel, by its strategic choices of energy cooperation with both RoC and probably Turkey -if their relations will be improved in the future- could play the role of silent mediator in the solution of the Cyprus problem in order to ensure its interests in the energy issues. The settlement of the Cyprus problem would be a development that would later allow the pipeline cross from Israel to Turkey through the Cypriot EEZ, which ensures many Israeli national interests in energy issues (Shaffer 2018, 92).

CONCLUSION

Due to the energy issues emerged in recent years, the Cyprus problem is now more than ever at the centre of a true regional



rivalry, in an area of the world where interstate conflicts had been always existed. It is a fact that competition for the control and exploitation of hydrocarbons drive the great and regional powers to have a more decisive role in developments concerning the solution of the Cyprus problem for their own benefits (Adamides and Christou, 2015). As it is mentioned above, the struggle for power between the states involved in the Eastern Mediterranean affairs, including the Cyprus problem, promises great benefits as a result of the control of energy sources. Taking into account the overall strategic facts as they have been critically examined in this study, the initial hypothesis is verified; that is, the existence of hydrocarbons in the Eastern Mediterranean and the Cypriot EEZ has a high degree of influence on the process of solving the Cyprus problem.

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The RoC has a great opportunity to solve the Cyprus problem gaining benefits through the exploitation of the energy issues. Nevertheless, its weak position due to its limited power must not be overlooked⁷. It is well-known that the pressure towards a problem settlement is always put on the weak. Additionally, RoC has to confront Turkey's aggressive behavior both in the exploitation of hydrocarbons and in the process of resolving the Cyprus problem.

In turn, Turkey as a powerful military state and a traditional US ally has a significant advantage in the Cyprus dispute. However, it still insists on a wrong strategic choice opposing Western interests, including its relations with Russia, and its attitude towards the Syrian civil war and the ISIS effect. This can negatively affect the Turkish interest in the Cyprus issue since this problem does not stand alone; it is integrated in a much wider sphere of interests and conflicts. Furthermore, it should be noted that the discovery of large hydrocarbon deposits in both the Cypriot EEZ and the wider Eastern Mediterranean region will intensify Turkish aggression for controlling the hydrocarbon deposits as a step to achieve the goal of regional hegemony.

7 For the difficulties that a small, weak and occupied state, as the RoC, faces in establishing foreign policy and its efforts to solve its protracted problem see Panayiotides (2019).



In any case, a solution to the Cyprus problem in the near future would be hardly feasible due to the diverging views of all states involved in it, especially with regards to energy and exploitation of hydrocarbons issues. After all, the more the competition for hydrocarbons intensifies, the more states are moving away from negotiating to resolve a problem.

To conclude, regarding the competition in the Eastern Mediterranean, all state powers -great, medium and small ones- seek to secure their interests in the region through the creation of alliances that better serve their objectives. This often leads to alterations in the states' relationships. The states that will manage to handle these changes in the best possible way will gain benefits for their national interest. The Eastern Mediterranean issues are characterized by a constant, endless power competition between nations. Stability in the region is achieved through a status quo that solely serves a minority of the states involved in the competition. Instability reigns when a state power seeks to alter the status quo in its favour, when new gain quotas suddenly appear, such as the discovery of hydrocarbons in the Eastern Mediterranean.

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THE EUROPEAN INVESTMENT BANK'S FINANCING ACTIVITIES IN THE SOUTHERN MEDITERRANEAN

TAMÁS SZIGETVÁRI

Pázmány Péter Catholic University, Hungary

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The Southern Mediterranean, as a neighbouring region for the European Union has received a special interest in the EU policies towards external countries, and this special interest has been appearing in the EU assistance given for the economic development of the region. The raising social tensions in the Mediterranean countries and the growing migratory pressure in recent years, however, have increased the challenges connected to the region, and thus the importance of a broader and more complex development support as well. The European Investment Bank (EIB), as the European Union's development bank carries out an ever-growing development lending activity in the Mediterranean. In our study we analyse the role of the EIB in this financing, and argue that to be able to fulfil the expectations concerning the future role of the institution in development assistance, the EIB has to improve its financial assistance practices.

Key words: Mediterranean countries, European Investment Bank, development, financial operations

INTRODUCTION

The EU's Southern Neighbourhood¹ is of utmost importance for the European Union, as one of the major sources of challenges the EU has to face in recent years (e.g. migration, terrorism).

1 By Southern Neighbourhood or Southern Mediterranean countries the study considers Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Lebanon, the Palestine Authority and Syria.



The activities of the European Investment Bank are mainly concentrated in the EU Member States, but for decades, and to an increasing extent, it has been also supporting regions and countries outside the EU. This study examines, in particular, how the EIB's financial supports contribute to the achievement of these European efforts towards this region.

In the first part, after a short overview of some relevant literatures the study analyses the relationship of the EU and the Southern Mediterranean countries: the challenges that the region poses for the EU, the institutions it created to address these challenges, and the extent to which these institutions are able to deal with the risks created by the Southern Mediterranean. The second part examines the priorities and the authorisation upon which the European Investment Bank carries out its financial activity, and the regions concerned by this funding outside the Union. The third part examines the EIB activities in the region in detail. Along with the presentation of the lending priorities, an analysis of the distribution of this lending broken down to countries and sectors based on statistical data is also provided. The cooperation of EIB with other development institutions the EIB in the area is also assessed. A brief evaluation of the EIB activities in the Southern Mediterranean concludes this study: the extent to which it was able to contribute effectively to the economic development in the region, and to the realisation of EU policies.

A SHORT REVIEW OF LITERATURE

There is a broad literature on the EU-Mediterranean relationship, dealing with this complex issue from different points of view. Bruns et al. (2016) reveals the geopolitical aspects behind the integration: how much the EU is able to act as a geopolitical actor in the neighbouring regions, what kind of instruments it possesses to reach its goals outside its territory. Bouris and Schumacher (2017) provides an excellent analysis on the continuities and changes in the revised Neighbourhood Policy: how the Arab Spring and its aftermath affected the EU policies and bilateral relations. Kourtelis (2015) focuses on the political



economic backgrounds, especially in the North-South relations: he reveals that the unchanged power structures in the domestic environment of both sides have reduced the expected efficiency of Euro-Med economic cooperation.

For the purpose of our study literature that examines the EU financial support given to the region, its conditionality and effectiveness, are of special importance. Holden (2008) draws attention on the rewards-based conditionality of the EU's aid policy towards Mediterranean countries that had been targeted at supporting reforms in key sectors. Ayadi and Gadi (2013) analyses the new priorities of assistance policy created as a reaction to the events of the Arab spring, and the possible scenarios to handle old and new challenges. Zorob (2017) goes further by assessing the social and economic consequences of the EU policies in the Southern Mediterranean countries, and the impact of the EU assistance to improve the actual situation.

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Since we are focusing on the activity of the European Investment Bank, the literature on international development banking activity has also a relevance to our topic. Multilateral development banks (MDBs) are in general highly valued by recipient countries and they are considered more effective and efficient than traditional bilateral donors (Prizzon et al. 2017). However, the MDB model combining large-scale finance, at interest rates lower than countries could borrow from capital markets is under threat: more restrictive policies have become embedded in MDB management culture the influence of powerful shareholders—most notably the US—who are reluctant to take any risks that could lead to an MDB bailout (ibid.). Spantig (2017) investigates how the activity of international financing institutions has been adapted to changing challenges and requirements. Here, the post-Arab-Spring Mediterranean region offers a good case to analyse.

The EIB's general extra-EU lending activity is widely analysed in the literature. Antonowicz-Cyglicka et al. (2016) and Dobrova (2018) give a critical overview on the EIB external mandate, Lesay (2013) analyses the EIB's external activity from a developmental policy approach, while Újvári (2017) discusses the EIB's activity as a potential part of the EU external policy.



On the Mediterranean activity of the EIB, however, we can find only few analytical literatures. The EIB itself provides ex-post analysis of previous FEMIP programs (De Laat et al. 2013), but we hardly find more detailed analysis that puts the issue in a broader framework.

INSTITUTIONAL AND FINANCIAL FRAMEWORKS OF EURO-MED COOPERATION

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The evolving European integration — due to its geographical, historical, political, economic and cultural connections – has from the outset been interested and directly involved in the security, stability and development of the countries of its southern neighbourhood, of those of North Africa, and of the so-called Levantine countries (Syria, Lebanon, Jordan and Israel). While during the Cold War, the relations were primarily focusing on bilateral trade and financing agreements, from the mid-nineties on, the need has increased for addressing jointly the region and its complex problems.

The basic challenge was the fact that the economies of the region were not able to keep pace with the fast-increasing population, and hence most countries had to face growing social tensions due to increasing unemployment and stagnating or declining incomes. These tensions may lead to radicalisation (Islamic fundamentalism), civil war and increasing migratory pressure. In response to these challenges, the EU was looking for a complex solution, the key element of which was to promote the economic prosperity of the region. The EU's main instrument for fostering these goals was the economic integration (free trade), which was complemented by investment sources.

The Barcelona Process, which was launched in 1995 and was aiming to tighten the relations between the EU and the Southern Mediterranean region in the framework of the Euro-Mediterranean Partnership (EMP), was built on three pillars (political, economic, and cultural). In the framework of the partnership, so-called Euro-Med Association Agreements were concluded with the countries in the region, which over a period of 15 years included the creation of bilateral free trade.



While the short- and medium-term positive wealth impact of these free trade agreements is highly debated (see e.g. Langan 2015), the EMP has offered a broader financial assistance for the region. The MEDA (Mediterranean Economic Development Area) programme was established as the institution responsible for the financial support. MEDA I (1995-1999) disposed over EUR 4,422 million, while MEDA II (2000-2006) provided EUR 5,350 millions of funding for the beneficiary countries. The financial resources were assigned to the targets and programmes defined in the country-strategies (so-called national indicative programmes). Though the country-priorities were set together with the Southern partner countries, the final decision on the development targets was made in Brussels. The projects were financed mostly through the national governments, however, so the selection of firms and NGOs involved in the projects depended on local political preferences.² The efficiency of the financial subsidies aiming for economic and social reforms was below expectations (Holden 2008).

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The European Neighbourhood Policy (ENP), established after the 2004 EU enlargement, addressed the Southern and Eastern neighbourhood (Ukraine, Moldova, Belarus, the Caucasus states) jointly, but the EMP still remained in a separate unit. The financial resources, however, were merged, and the TACIS (the financial fund for the Eastern countries) and the MEDA operated after 2007 under the common name ENPI (European Neighbourhood and Partnership Instrument). The ENPI disposed over EUR 11,200 million between 2007 and 2013. The bilateral financial assistance from EU-members has well exceeded EU-funds. The EUR 13,803 million French support (1995-2009) was higher than the overall EU financing (12,758 million), but Germany (EUR 7,170 million), Spain (EUR 2,401million) and Italy (EUR 1,601million) were also important contributors (Ayadi-Gadi 2013, 8).

2 It has also contributed to the negligence of some social groups, to the deterioration of social cohesion, and as a consequence, to a decreased efficiency of the subsidies. (Bicchi-Martin 2016, 144)



On a French initiative in 2008, the Union for the Mediterranean (UfM) was established, which has sought to improve the cooperation between the two regions on six main areas of support.³ To finance the costly infrastructural projects, the Neighbourhood Investment Facility (NIF) was established. The NIF was financed both by the EU budgetary funds, and by member states' contributions. Between 2008 and 2016, the 1,678 million euro of the EU budgetary support to NIF has mobilized ca. 15 billion euro of investments, 60 percent of it in the Mediterranean neighbours (European Commission 2016, 6).

The Arab Spring initiated in 2011, however, has led to radical changes and questioned the EU's established relations with the region. The current uncertainties and the increasing role of the Southern Mediterranean in global migration are due to the failures of the economic and political processes of the region. The economic growth in the first decade of the 2000s was benefitting mostly the elites of the societies, and unemployment, especially among the youth has grown very high, and thus it has increased social tensions. Foreign investors see most of the countries of the region as non-competitive due to red tape, high political risk and poor economic structure. Economic problems have affected even the political stability of the region: the authoritarian regimes, which were in power for decades, have weakened and completely lost their legitimacy in many countries. The sometimes-revolutionary discontent could not lead, however, to a satisfactory solution and the rise of radical Islam adds to the uncertainty in the region.

One of the most fundamental aims of the EU's Mediterranean initiatives was to reduce its safety risk by improving the economic development of the region. The reforms, however, which needed economic liberalisation and a fast opening of external trade, have posed huge economic burdens on the Southern countries, especially in the short term. The EU was providing a limited support to these reforms, due to its internal structural

3 The six areas are: transport and urban development, water and environment protection, energy and climate protection, social and civil affairs, higher education and research, and business development.

tasks in the late 1990s and early 2000s, and also due to the Eastern enlargement. Foreign investments that could have otherwise offer a solution to these specific problems (balance of payments, job creation) were also missing. A number of areas (liberalisation of services, labour mobility) are not yet, or only partially, included in the Euro-Med partnerships. The EU's Mediterranean policy that was aimed originally to reduce the security risks for the EU, often has strengthened the effects contrary to this process.

As a first reaction to the events of the Arab Spring, the EU extended the ENPI funds with EUR 1,000 million between 2011 and 2013 and added new priorities (Zorob 2017, 10). In the framework of the reform of the ENP in 2015 and of the EU's Global Strategy in 2016, the Union seeks to address these issues in a complex manner. The Mediterranean policy has been refocused with a greater coherence of the European Union's policies (foreign and security, development, and neighbourhood policies), with providing bigger financial resources, with a differentiated treatment towards each country's situation and problems and with the support of inclusive economic policies aiming on the one hand, at reducing social tensions and poverty and at creating jobs on the other. These are now financed by the European Neighbourhood Instrument (ENI) that provides EUR 15,400 million, complemented by loans provided by the EIB.

THE EIB AND ITS ACTIVITIES OUTSIDE THE EU

The European Investment Bank is the EU's long-term development lending institution, which was established under the Treaty of Rome establishing the European Economic Community in 1958. The bank is owned by the EU Member States, therefore, its primary task is to contribute to the EU's long-term objectives. In 2000, the EIB was complemented by the European Investment Fund (EIF), which provides venture capital mainly to SMEs and, in 2012 the EIB Institute became the new member of the EIB Group. The EIB has an AAA credit rating, it finances its loan products from the capital markets and grants loans on a



non-profit-making basis in the Member States and for projects of common interest to the Member States.⁴

Since 1963, the EIB has been continuously and increasingly supporting the EU's external policies, which resulted in an activity that encompasses today practically all countries of the world. The EIB's external lending activity aims at, in particular, the EU foreign policy, its neighbourhood policy and its development aids.

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In comparison with other multilateral development banks (IBRD, EBRD, the African Development Bank, etc.) the EIB is unique in a number of respects. It is active at the same time both in each of the EU Member States and in the developing countries, with no development objective on its own, but subject to the goals set by the EU Member States and institutions. A significant part of its activity outside the EU is carried out under EU guarantee. It primarily focuses on investments and project-funding and participates in shaping the country- or the sectoral strategies only to a limited extent (since the latter are taken care of by different EU institutional resources). Beneficiary countries outside the EU are not shareholders of the EIB; it grants preferential loans only to a limited extent and mainly on a regional basis (e.g. ACP countries). It carries out its funding in developing countries with far fewer human resources than other development banks (Steering Committee 2010, 8).

The EIB's External Lending Mandate (ELM) operates with the guarantee provided for external funding by the EU budget. The ELM includes not only the countries participating in the enlargement and neighbourhood policies, but also the countries of Latin America and Asia. A major part of the African countries may be granted EIB loans in the framework of a separate mandate (the Cotonou Agreement), established for the ACP countries. In addition, the EIB grants loans through its Own Risk Facility (ORF) without an EU guarantee.

The need for an EU guarantee follows partly from the Statute of the EIB, pursuant to which it may carry out any lending

4 See the Lisbon Treaty (TFEU 309).



activity only under appropriate security, and the credibility of the bank needs to be maintained (even by loans granted to riskier third countries). The guarantee was initially country-based, then regional and in 2007 it became general (except for the ACP countries to which a specific rule applies) (EC 2013, 66). From 1997 schemes started to appear, where the EIB itself took parts of the risk on a regional (in the case of acceding then neighbourhood policy countries) or on a thematic (energy, sustainability) basis. In many cases they shared the risks, and hence, the political risks were borne by the EU budget and the commercial risks by the EIB (covered by a third party). Since 2007 risk-sharing has become obligatory at each lending concerning the private sector. This is partly the reason why in 2011 the proportion of own risk loans exceeded the amount of the loans granted with an EU guarantee (EC 2013, 67). The EIB recommendations also propose the extension of own risk lending, reserving the EU guarantee primarily for countries with a higher risk (Steering Committee 2010, 21). Recent years' experience also shows that the calling of guarantees is very rare. The EIB itself provides mostly loans (and not grants), but it offers other financial instruments as equity investments, guarantees and advisory services for its clients.

In general, supported projects outside the EU focus primarily on the development of the private sector, the economic and social infrastructure, the investments concerning climate and environmental protection, and those fostering regional cooperation. In addition, the ELM supports the foreign direct investment (FDI) of EU companies. The new External Investment Plan (EIP) adopted in 2016 extended the former EIP with a specific priority: addressing the root causes of migration. On the proposal of the Commission, at the occasion of the mid-term review of the budget of the EU (MFF), the ceiling amount of the guarantee behind the ELM was raised from EUR 27 billion to EUR 32.3 billion. EUR 1.4 billion from the increased amount is earmarked for the public expenditures concerning migration in the acceding and the Southern Mediterranean countries, while a further EUR 2.3 billion is earmarked for the private sector to support migration related activities (Dobrevá 2018, 4). In addition, the



establishment of the so-called Economic Resilience Initiative (ERI) was also adopted. The ERI is an additional financial support tool for the countries of the same regions (Western Balkans and Southern Mediterranean) that can be rapidly mobilised to improve sustainable development and social infrastructure and cohesion, and thereby the economic resilience. Evaluations on the EIB activities highlight the importance of evaluation and monitoring concerning the EIB's investment projects and propose to improve them (Steering Committee 2010: 25). These evaluations emphasise local consultations relating to the projects and the use of economic, social (e.g. human rights, gender equality) and environmental impact assessments and indicators. Priority is also given to money laundering, corruption, tax evasion and the risk of terrorist financing (Dobrova 2018).

Of course, in the case of the EIB, projects within the European Union are the large majority (around 90 per cent), the remaining 10 per cent is shared among 160 countries outside of the EU. This amount, however, is also significant: since the establishment of the EIB, it allocated capital in an amount of EUR 120 billion for financing projects in non-EU countries and it lends currently around EUR 8 billion annually for projects outside the EU. In the first three decades, the former colonies of the African, Caribbean and the Pacific regions (the so-called ACP countries) were the priority, however, even at that time the Mediterranean countries were already significant beneficiaries. In the course of the nineties the main target region concerning non-EU loans became without doubt the Mediterranean in major part due to the special support of the Euro-Mediterranean Partnership process that was taking shape at that time. From the two-thousands on, the acceding states took the leading role, initially those acceding in 2004 and 2007 from Central and Eastern Europe, and later on the main beneficiaries of the loans became the Western Balkans and Turkey. The support of the Eastern Partnership also committed significant resources, while in recent years the proportion of non-European (Asia, Latin America) lending has increased in order to reach foreign and development policy goals. On the whole, the Southern Mediterranean region has received one quarter – that is EUR 36.5 billion – of the non-EU resource-allocations,

while the wider Mediterranean region (together with Turkey and the Western Balkans) – almost half of the funds.

Table 1: *The EIB's external funding projects per region and per periods (million EUR)*

	1959-1989	1990-1999	2000-2009	2010-2019	1959-2019
EFTA	68	1,101	1,866	1,855	4,892
Accession countries	982	871	17,165	22,598	41,617
Eastern Europe	0	0	718	11,106	11,823
Mediterranean	1,533	6,137	12,543	16,421	36,526
ACP	2,806	3,299	5,551	9,901	21,557
Asia and Latin America	0	1,701	5,705	13,620	21,026

Source: EIB (2020)⁵

THE EIB'S ACTIVITY IN THE SOUTHERN MEDITERRANEAN

The Development of EIB's involvements'

The EIB has been providing loans to the Southern Mediterranean countries since 1978. Over the period 1978-1995, the EU concluded bilateral financial cooperation agreements with the countries of the region. The agreements that were renewed every five years would not only enable budgetary aid, but also EIB support to the countries of the region. Between 1978 and 1991, the Mediterranean countries received ECU 1,965 million, while between 1991 and 1995 on the basis of the 4th Financial Protocol ECU 1,300 million as loans. The New Mediterranean Policy adopted in 1990 guaranteed ECU 1,800 million loan volume for

5 If otherwise not indicated, data in the tables is based on the EIB database (<http://www.eib.org/projects/loan/list/index>), sometimes with own calculations.



the period of 1992 to 1996, primarily for funding regional (ECU 1,300 million) and environmental (EUR 500 million) projects.

Under the MEDA programme, which was established by the Euro-Mediterranean Partnership process launched in Barcelona in 1995, in the period of 1995 to 1999, the EIB provided EUR 4,808 million in loans from the Euro-Med programme launched to support EU activities in the Mediterranean, while between 2000 and 2007, the Euro-Med II disposed over EUR 6,400 million. In 2002, the EIB transformed the Euro-Med support framework and established the FEMIP (Facility for Euro-Mediterranean Investment and Partnership), which has become the primary instrument for regional investments. Since 2003, in the framework of the FEMIP, the EIB provided EUR 27 billions of project funding in the region.

In 2008, the EIB also played a role in the financing of the initiative, called Union for the Mediterranean (UfM): it participated in the funding of three out of the six planned UfM areas. These are: the environment (reducing the pollution of the Mediterranean Sea), financing of alternative energy projects (e.g. solar reactors) and the development of transport infrastructure (ports, motorways). In addition to the infrastructure projects, the Mediterranean Business Development Initiative was also established, which provides financial and technical assistance to the micro, small and medium-sized enterprises of the partner countries (Joint Declaration, 2008:20.).

Over the period of 2014 to 2020, the EIB set new priorities for the financial aids. One of the primary objectives has become the support of the growth of the private sector, in addition to the other key areas, such as the development of the social and economic infrastructure, environment protection and combating climate change. The EIB launched, in particular in Morocco and Tunisia new, innovative programmes, which focus on the support of economic operators who are of paramount importance to the community with a view to increase the social impact of the projects. These may include, for example, job creation that is extremely important in the region because of its high unemployment rate and the resulting negative consequences (EIB 2015a, 15).



EIB Supports in the Light of Statistics

If one takes a look at the division of support given at the level of the individual Southern Mediterranean countries, then three beneficiary countries stand out: Egypt (EUR 11,057 million), Morocco (EUR 7847 million) and Tunisia (6637 million euro). The three countries received 70 percent of the total financial support granted by EIB in the region.

Table 2: *EIB projects in the individual Mediterranean countries per periods (EUR million), in proportion to the GDP and the population*⁶

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	1978- 1989	1990- 1999	2000- 2009	2010- 2019	Total 1978- 2019	Support/ 1000 EUR of GDP	Support/ population (EUR)
Algeria	200	1104	854	500	2719	17.7	63.2
Egypt	404	1293	2970	6390	11057	41.1	110.0
Israel	93	142	510	780	1525	4.4	165.8
Jordan	100	405	488	541	1524	38.8	143.8
Lebanon	40	516	742	1494	2792	53.5	410.5
Morocco	263	1620	2553	3411	7847	74.1	208.6
Palestine	0	217	68	70	356	27.3	71.2
Syria	102	20	1437	185	1744	32.6	99.7
Tunisia	272	819	2797	2750	6637	192.2	566.2
North Africa*	0	0	10	72	82		
Mediterranean*	0	0	115	187	302		
Total	1533	6137	12543	16421	36526	34.2	152.3

* regional programmes

Source: Authors' own calculations based on the available data by EIB, UN and IMF

6 The table compares the total support received between 1978 and 2019 with the GDP figures and population data for 2019. The GDP data are based on the IMF figures, but have been converted on the basis of the official dollar/euro exchange rate.

Given the very different size and level of economic development in these countries, it is worthwhile to look at how the aid distributed in proportion to the population and the GDP. The last two columns of Table 2 show clearly that both as a share of GDP and of the population, Tunisia has been by far the largest beneficiary: its support amounted to almost four times the regional average in terms of population (EUR 566 compared to the EUR 152 regional average), and six times in terms of GDP (EUR 192, while EUR 34 for the region). As regards the share per population, the second one was Lebanon, followed by Morocco, while Egypt with its 100 million inhabitants ranked only the 6th, well below the regional average. Morocco was the second as a share per GDP, while Egypt received slightly above the average according to this comparison.

What follows is a more detailed analysis of the EIB activity in the region between 2003 and 2019 concerning projects realised under the FEMIP. The biggest beneficiary of aids under the FEMIP is again Egypt (EUR 8,955 million), Tunisia (EUR 5343 million), however, was caught up with and even surpassed by Morocco (EUR 5601 million).⁷ The three countries received 78% of the FEMIP support, so the dominance of the three countries concerning the loans in this period is greater than that of the total period.

When one takes a look at the number of approved and signed loan projects (Table 3), a total of 373 EIB projects have been launched between 2003 and 2019. On this basis, Morocco (83 projects) was the biggest beneficiary, ahead of Egypt (70) and Tunisia (69). Here, however, the combined share of these three countries is lower than 60%, and during the 2015-2019 period Lebanon (20) had signed more contracts than Tunisia (19).

According to the size of the projects, however, Egypt by far leads the group. Between 2003 and 2019, out of the 12 largest projects financed in FEMIP, eight were in Egypt. (Table 4). Among the largest projects in Egypt there are mostly energy and transport developments: power plants, refinery plants, and the

7 These figures are also set out in Table 4.

Metro in Cairo. More than 800 million euros was dedicated on the ADM motorway in Morocco, but a power plant in Syria, and gas pipelines in Algeria and Tunisia were also among the largest projects. In the last three years, two significant credit lines have been provided for Egypt to support the private sector and SMEs, intermediated by the Bank Misr and by the National Bank of Egypt.

Table 3: *Number of projects financed by FEMIP per country and per periods*

	2003-2007	2008-2014	2015-2019	2003-2019
Algeria	4	1	0	5
Egypt	19	20	31	70
Israel	3	8	4	15
Jordan	4	9	9	22
Lebanon	11	15	20	46
Morocco	21	35	27	83
Palestine	2	2	3	7
Syria	7	9	0	16
Tunisia	22	28	19	69
Regional	9	21	9	39
Total	102	149	122	373

Source: EIB (2020)

Table 4: The top projects financed by FEMIP (2003-2019)

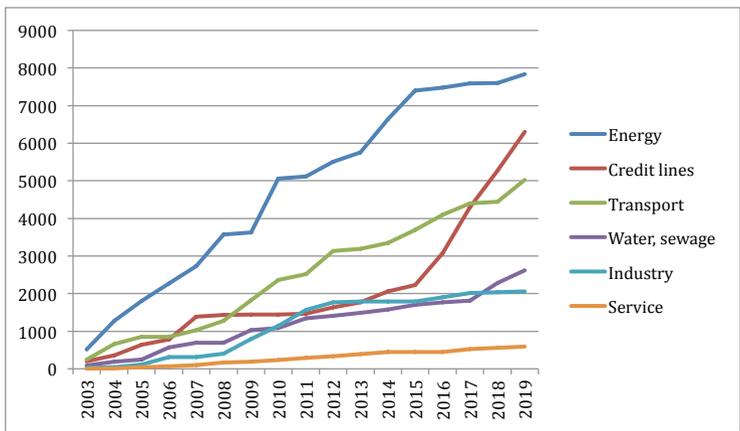
Country	Project	Signed amount (million €)	Sector	Form	Year of signature(s)
Egypt	Bank Misr SME loans	1,000	Credit facility	3 contracts	2017, 2018, 2019
Morocco	ADM Motorway III-VII	805	Transport	5 contracts	2003, 2005, 2007, 2009, 2010
Egypt	NBE loans for SMEs	750	Credit facility	2 contracts	2018, 2019
Egypt	Cairo Metro Line 3 (Phase 3)	600	Transport	3 contracts	2012, 2015, 2016
Egypt	Damanhour gas power plant	550	Energy	1 contract	2015
Egypt	Idku LNG	538.9	Energy	4 contracts	2003, 2005
Egypt	Private sector support	500	Credit facility	1 contract	2016
Algeria	Medgas pipeline	500.0	Energy	1 contract	2010
Syria	Deir Ali Power plant	475	Energy	2 contracts	2004, 2008
Tunisia	ETAP South Tunisia gas pipeline	380.0	Energy	1 contract	2014
Egypt	Cairo Metro Line 1	350	Transport	1 contract	2019
Egypt	ERC refinery	346.4	Industry	1 contract	2010

Source: Authors' own calculations based on the available data by EIB (2019)



If one looks at the sectoral distribution of all loans, the case is similar (Graph 1). According to the signed contracts between 2003 and 2019, the FEMIP was active in two priority areas of the UfM: 7,834 million euro (or 30%) has been dedicated to energy sector, while 5,022 million (or 20%) on the transport sector. Water and sewage projects (2,616 million euro) are also connected to an UfM priority, environment. After 2011, new priorities emerged, such as urban development and education, which were previously not indicated as priority areas, for the time being, however, they represent a rather low proportion in the financial aids.

Graph 1: FEMIP loans provided by sectors (only sectors with largest amounts of loan, cumulative value, 2003-2019, million EUR)



Source: Authors' own calculations based on the available data by EIB (2019)

With its more than EUR 6.3 billion amount overall, credit lines have become the second most important area of EIB loans after the energy sector. It shows the increasing importance of SME and other private sector projects in EIB (and in a broader term EU) policies.

The majority of EIB funding was still for the public sector, and this is particularly true in the case of large volume projects. This does not mean, however, that agreements with the private

sector had been totally abandoned. Beside the credit lines dedicated for SMEs a number of small- and medium scale loans have been provided for various industrial and service sectors. In addition to loans, the EIB offered private equity capital which was an opportunity provided to companies in the producing sector with scarce capital and which was primarily used by companies of the industry (mainly food industry), the health sector, education, tourism and certain technological sectors.

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Institutional Cooperation of the EIB in the Region

In order to finance FEMIP projects, the EIB has developed close cooperation with a number of European and international financial institutions for the co-funding or joint support of different projects (e.g. capacity building and new regional initiatives). Donors of the region have been increasingly seeking synergies in recent years, since the treatment of the growing security risks in the region requires that the effectiveness of financial aids is increased.

The most fundamental is, naturally, the relationship with the European Commission, to which the European Neighbourhood Policy (ENP) provides a framework. Since 2014, the funding of the ENP is guaranteed by the European Neighbourhood Instrument (ENI)⁸, which disposes over EUR 15.4 billion over the current 7-year budget period for the support of the states of the Eastern Partnership, in addition to the Mediterranean countries. An additional institutional cooperation framework is provided by the Neighbourhood Investment Facility (NIF), which was established in 2008, primarily for the co-financing of expensive infrastructure projects, however, it also supports risk capital transactions for the private sector.

The EIB built close cooperation with the development institutes of the Member States, too. In the framework of the NIF, the EIB supports projects for the improvement of water and sewage supply together with the French Agency for Development (AFD

8 Between 2007 and 2014 it operated under the name of European Neighbourhood and Partnership Instrument.



- Agence Francaise de Developpement). In 2016, for instance, a EUR 48 million project was realised for providing water supply of Syrian refugees in Jordan. Since 2015, the EIB and the German KfW (Kreditanstalt für Wiederaufbau) participates jointly in the preparations of the Mediterranean Solar Power project, while with the Spanish AECID they provide funding in the form of a new venture capital to the countries of the region that supports microfinancing in the amount of EUR 100 million.

Together with the European Bank for Reconstruction and Development (EBRD), the EIB supports a programme promoting the trade and competitiveness of the four Southern Mediterranean countries that are the most active ones in terms of EU cooperation: Tunisia, Morocco, Egypt and Jordan. This EIB support is based on three complementary pillars. First, providing long-term credit lines to local financial institutions with a view to supporting manufacturing and food production chains (in 2016 this subsidy reached EUR 120 million extended by the same amount in local resources). Second, providing a risk-hedging instrument to local financial institutions for support SME lending (EUR 20 million in 2016). The third pillar provides for an export support tool on the one hand for SMEs – also with the intermediation of the financial institutions – with a view to financing mainly export ancillary costs (planning, accounting and compliance with EU standards and rules, etc.) and on the other hand, for financial institutions with a view to offering banking services related to exports. The EIB has signed cooperation agreements on the coordination of development projects in the region with the World Bank (2004), the African Development Bank (2005) and the Islamic Development Bank (2012).

The Impact and Evaluation of the EIB's activity

The EIB with its annual funding framework totalling EUR 8 billion provides a very effective support tool that may contribute to the success of EU's foreign, enlargement, neighbourhood or global development policy. Recent events that resulted in increasing external challenges, mainly coming from the neighbourhood, demanded strategic responses from the EU. And as we can see, these responses (e.g. the Global Strategy adopted in



2016) are already relying on an increasing engagement of the EIB in the actions to be carried out (Újvári 2017, 33). Analyses on the EIB's activities and in particular on its activities in the Mediterranean region in recent years provided criticisms and suggestions in relation to the strategic and operational activity of the institution.

Antonowitz-Cyglicka et al. (2016) express a number of criticisms concerning the EIB activity in general. One of these is transparency: there is hardly any total assessment available concerning the projects, the assessment of the results and their impact is often unnecessarily treated as confidential information, which is contrary to the transparency rules of the EU's own institutions. It was also criticised that the clients involved often have an off-shore background and hence there is a suspicion of tax avoidance (or even that of corruption). In addition, the opinions of locals were not adequately taken into account according to the analysis: in these authoritarian regimes, the government often not only disregards, but also resorts to violence to silence any opposition expressed by the local public (Antonowitz-Cyglicka et al. 2016, 7).

There are clear differences in the evaluations made before and after 2011. In the period between 2007 and 2013, a mid-term evaluation concluded that the EIB might be a very strong tool of the EU, while at the same time more human and financial resources would be necessary (Steering Committee 2010: 2). The document also highlights the importance of institutional coordination both with the institutions interested in the EU's external development policy, as well as other, global and regional development institutes.

The evaluations made after 2011 (e.g. de Laat et al. 2013), however, make their assessments in the light of the events of the Arab Spring of 2011, reflecting strongly to the apparent deficiencies of the EU's development policy. To address the region's challenges, one of the most central elements is job creation, which is in the view of most experts can best contribute to achieve an inclusive economic growth that is having a perceivable impact for the broader society. In this respect, the result of the analysis of the EIB projects is a mixed one (EIB 2015b).



While infrastructure investments have the potential to create a significant number of jobs, the actual number of new jobs in the case of the projects examined failed to meet the expectations. Sustainable job creation is even more important: here, too, only individual projects (e.g. in the health sector) managed to create a significant number of long-term sustainable jobs, while the proportion of these were considerably less in the case of energy and road building projects (*ibid.*).

The broadening of the scope of EIB financing referred to above (support of new areas and sectors) and of its sources (and the extension of the EU guarantee) can be considered as the primary reaction to these changes. However, this is a slow process. As Spantig (2017, 229) also points out, the modification of the funding priorities is negligible, and it is hardly to be perceived in the target countries, in addition, the EIB focuses rather on the (economic) interest of the EU and not on that of the target countries. It is also true, that the EIB's primary objective is not poverty reduction, as these objectives are supported by the EU from other sources – it is a question, how much the EIB should and could focus on such priorities.

Lesay (2013) also comes to the conclusion that unlike other international development institutions, the EIB has never had its own development policy targets. As a consequence, the policy followed by the institution was determined by the interests of the main shareholders, i.e. the EU member countries. In recent years, with the increasing need to achieve sustainable results in the development of Southern countries, a more complex approach of development financing has emerged. The current capacities of EIB, however, are not sufficient for such deeper approach. That is why the cooperation with other development institutions of larger human resource and of broader local expertise was appreciated

CONCLUSION

Key objective of the European Union is to promote peace, its values and the well-being of its peoples. To reach these goals, the EU needs to support and foster stability, security and



prosperity in the countries closest to its borders. The Southern Mediterranean occupies a central position in this framework, with recent political and social upheavals, however, the support of economic development became of utmost importance for the EU.

The European Investment Bank, which was established as the EU's development bank, has become an increasingly important player in financing and supporting the EU's global and regional engagement. The objectives to be pursued by the Bank are defined by the European Union's priorities and hence the EU's Global Strategy or in the context of the Mediterranean area, the Euro-Mediterranean Partnership, the European Neighbourhood Policy, or the Union for the Mediterranean shall specify the limits within which the EIB provides its funding.

The analysis of the EIB lending in the Mediterranean region shows that it is highly concentrated: countries carrying out the most reforms (Tunisia, Morocco) received a proportionally much higher support, whilst in the Euro-Med relations less active Algeria, or Syria that lead earlier a similar policy (and which is not concerned currently due to the ongoing civil war) receives hardly any resources. In recent years, however, Egypt has become the most important partner, both regarding the number of contracts, as well as the amount of loan provided, despite European concerns over the authoritarianism of the Egyptian political regime.

The sectoral foci of the financial assistances have been previously the large infrastructure sectors, energy and transport. The power plants and motorways built with the support of the EIB are important elements of the economic catch-up of the Mediterranean countries. The change in the approach in recent years, however, has increased the importance of the direct financial support of the economic operators, in particular in the form of loans granted to small and medium-sized enterprises via credit facilities provided by intermediating banks, or in a much lower scale by private equity operations through mutual funds.

With the over-36-billion-euro financial support provided for the region, the EIB was able to strengthen key elements in the



economic development process of the Mediterranean countries. The Bank's activities, however, are still facing numerous criticisms due to limited transparency, weak monitoring, evaluation procedure and the mismanagement of infringements concerning the projects. This would require that the EIB's external financing activity which is becoming increasingly important in the coming years would be carried out with staff and structural conditions which are adequate to its growing role, and with a more consistent application of the EU transparency rules.

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ABSTRACTS

ARE THERE ASYMMETRIES IN THE NEXUS BETWEEN EXCHANGE RATE AND DOMESTIC PRICES? EVIDENCE FROM TURKEY

Attahir Babaji Abubakar

This study examines the presence or otherwise of asymmetries in the relationship between exchange rate and domestic prices (both consumer and producer prices) in Turkey. Monthly series on the study variables were collected for the period from January 2003 to April 2018. The econometric analysis was carried out by employing the Threshold Autoregressive (TAR) and Momentum Threshold Autoregressive (MTAR) models following the approach of Enders and Siklos (2001). The findings of the study suggest the presence of asymmetry in the relationship between exchange rate and both consumer and producer prices in Turkey. It was further discovered that adjustments of both consumer and producer prices following exchange rate depreciation appear to be more sluggish relative to an appreciation of exchange rate. The study emphasized the inappropriateness of adopting a one-size-fits-all approach to managing price level dynamics following exchange rate fluctuations.

Key words: exchange rate, pass-through, inflation, asymmetry, TAR, prices, Turkey, non-linear

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IS WOMEN'S EMPOWERMENT A COMMUNITY AFFAIR? APPLICATION ON EGYPTIAN MARRIED WOMEN

Hanan Nazier, Racha Ramadan

This paper examines the community-level determinants of women's empowerment in Egypt, while accounting for the individual and household level factors. The paper analyzes two dimensions of women's empowerment; the decision-making and the mobility dimensions using a Multiple Indicators Multiple Causes Models. Using the Population Census data of 2006 and the Demographic Health Survey of 2008, in addition to the Egypt Labor Market Panel Survey of 2012



(ELMPS 2012), we found that the determinants of decision-making and mobility dimensions of women's empowerment are quite different, confirming that "empowerment" is a multi-dimensional phenomenon. Moreover, our results show that social context and the characteristics of the governorate where women live play an important role in determining women's empowerment in Egypt after controlling for a variety of individual and household-level characteristics. These results highlight the importance of viewing women's empowerment, and hence development as social and normative transformations rather than as just resulting from shifts in individual conditions, attitudes and behaviors

Key words: Women's empowerment, decision-making, mobility, social context, MIMIC, Egypt

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THE SPA AND SEASIDE RESORT IN THE DEVELOPMENT OF EURO-MEDITERRANEAN TRAVEL AND TOURISM – THE CASE OF BRIJUNI ISLANDS

Nataša Urošević

The paper offers a new perspective in elaboration of key phases of the tourism development on the Brijuni Islands, by analysing their important function as an élite Mediterranean spa and seaside resort in a transnational framework. The author shows how cultural practices and patterns of tourist behaviour, characteristic for European early spa and seaside resorts, spread throughout the Mediterranean during the 19th and early 20th century. Similar to an established network of European spas, transnational cultural transfers and common features characterized also a Euro-Mediterranean network of climatic seaside resorts. Many of them developed on the place of ancient spas and aristocratic residences, such as the first modern élite resorts in Italy and France. We can follow a similar process in the Adriatic, where first climatic spas patronized by royalty attracted a fashionable clientele. The author explored and compared some of the well-known island aristocratic residences, such as the Isle of Wight, the Hyères Islands, Capri, Mallorca, Corfu and Brijuni. The conducted research indicated that the beginnings of modern tourism in the Adriatic followed existing patterns of the European leading spa and seaside resorts. The main

contribution of this paper is linking revitalisation of unique cultural heritage with a local tourist tradition as a model for sustainable development.

Key words: Mediterranean, tourism, European spa, seaside resort, Adriatic, Brijuni

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EUROPEANISED OR SOVEREIGNIST APPROACH TO TACKLE IRREGULAR IMMIGRATION IN SOUTHERN EUROPE

Anna Molnár, Mónika Szente-Varga

After the migration crisis of 2015 and the closure of the Western Balkan route, migratory pressure shifted towards the Central and Western areas of the Mediterranean. This article examines and compares the measures taken by the governments of Spain and Italy to tackle migration, especially irregular. First the theoretical framework is drawn for the analysis, together with the economic, social, cultural and political context. Then Spanish and Italian government policies on migration control mechanisms are classified, with a particular attention to externalization, and thus to the relationship of Spain with Morocco and Italy with Libya. Finally, the approaches behind the above-mentioned policies are investigated between 2015 and 2019, in the dichotomy of Europeanism and Sovereignism. The article is based on content and comparative analyses, and principally relies on the study of statistical data, opinion polls, political discourses and news items.

Key words: Spain, Italy, immigration, Europeanism, Sovereignism

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ENERGY DEVELOPMENTS IN THE EASTERN
MEDITERRANEAN REGION AND GEOSTRATEGIC
IMPLICATIONS ON THE CYPRUS ISSUE

Evaghoras L. Evaghorou

The Eastern Mediterranean energy issues have geostrategic implications for the states in the wider region. The states' goals to ensure strategic and economic benefits in the energy field intensify competition between them, while the following tension directly affected the efforts to resolve the Cyprus problem. This article focuses on the region's geostrategic and energy developments in order to analyse the strategic behaviour of states involved as well as their impact on the efforts of solving the Cyprus problem

Key words: Cyprus issue, Eastern Mediterranean region, energy issues, Republic of Cyprus

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THE EUROPEAN INVESTMENT BANK'S FINANCING
ACTIVITIES IN THE SOUTHERN MEDITERRANEAN

Tamás Szigetvári

The Southern Mediterranean, as a neighbouring region for the European Union has received a special interest in the EU policies towards external countries, and this special interest has been appearing in the EU assistance given for the economic development of the region. The raising social tensions in the Mediterranean countries and the growing migratory pressure in recent years, however, have increased the challenges connected to the region, and thus the importance of a broader and more complex development support as well. The European Investment Bank (EIB), as the European Union's development bank carries out an ever-growing development lending activity in the Mediterranean. In our study we analyse the role of the EIB in this financing and argue that to be able to fulfil the expectations concerning the future role of the institution in development assistance, the EIB has to improve its financial assistance practices.

Key words: Mediterranean countries, European Investment Bank, development, financial operations

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RÉSUMÉS

QUELLE ASYMÉTRIE ENTRE LE TAUX DE CHANGE ET LES PRIX DOMESTIQUES ? LE CAS DE LA TURQUIE

Attahir Babaji Abubakar

Cette étude examine la présence ou non d'asymétries dans la relation entre le taux de change et les prix domestiques (tant à la consommation qu'à la production) en Turquie. Des séries de variables mensuelles ont été collectées pour la période allant de janvier 2003 à avril 2018. L'analyse économétrique a été réalisée en utilisant les modèles Threshold Autoregressive (TAR) et Momentum Threshold Autoregressive (MTAR) selon l'approche de Enders et Siklos (2001). Les résultats de l'étude suggèrent la présence d'une asymétrie dans la relation entre le taux de change et les prix à la consommation et à la production en Turquie. Il a également été découvert que les ajustements des prix à la consommation et à la production, suite à une dépréciation du taux de change, semblent *évoluer* plus lentement par rapport à une appréciation du taux de change. L'étude souligne l'impertinence qu'il y aurait à adopter une approche unique pour gérer la dynamique du niveau des prix à la suite de fluctuations des taux de change.

Mots-clés: taux de change, transit financier, inflation, asymétrie, modèle SETAR, prix, Turquie, non-linéaire

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L'AUTONOMISATION DES FEMMES EST-ELLE UNE AFFAIRE COMMUNAUTAIRE ? CAS DES FEMMES MARIÉES EN

ÉGYPTE *Hanan Nazier, Racha Ramadan*

Ce document examine les facteurs communautaires qui interviennent dans l'autonomisation des femmes en Égypte, tout en tenant compte des variables individuelles et de celles à l'échelle des ménages. L'étude analyse deux dimensions de l'autonomisation des femmes, la prise de décision et la mobilité, en utilisant un modèle à indicateurs et causes multiples. En utilisant les données du recensement de la population de 2006 et de l'enquête démographique et sanitaire de 2008, ainsi que l'enquête sur le marché du travail égyptien de 2012 (ELMPS 2012), nous avons constaté que les facteurs de la prise de décision et les dimensions



de la mobilité de l'autonomisation des femmes sont divers et variés, ce qui confirme que l'autonomisation est un phénomène multidimensionnel. En outre, nos résultats montrent que le contexte social et les caractéristiques du gouvernorat où vivent les femmes jouent un rôle important dans la détermination de l'autonomisation des femmes en Égypte, après contrôle de diverses caractéristiques individuelles et au niveau du ménage. Ces résultats soulignent l'importance de considérer l'autonomisation des femmes, et donc le développement, comme des transformations sociales et normatives plutôt que comme simples conséquences de changements dans les conditions, attitudes et comportements individuels.

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Mots-clés: autonomisation de la femme, pouvoir décisionnel, mobilité, contexte social, modèle MIMIC, Égypte

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LES STATIONS THERMALES ET BALNÉAIRES DANS LE DÉVELOPPEMENT DU VOYAGE ET DU TOURISME EURO-MÉDITERRANÉENS - LE CAS DES ÎLES BRIJUNI

Nataša Urošević

Ce document offre une nouvelle perspective quant à l'élaboration des phases clés du développement du tourisme sur les îles Brijuni, en analysant leur importante fonction de station thermique et balnéaire méditerranéenne d'élite dans un cadre transnational. L'auteur présente la façon dont les pratiques culturelles et les modèles touristiques caractéristiques des premières stations thermales et balnéaires européennes se sont répandus dans toute la Méditerranée au cours du XIXe et au début du XXe siècle. A l'instar du réseau établi de stations thermales européennes, des transferts culturels transnationaux et des traits communs ont également caractérisé un réseau euro-méditerranéen de stations balnéaires climatiques. Nombre d'entre elles se sont développées sur l'emplacement d'anciennes stations thermales et de résidences aristocratiques, comme les premières stations d'élite modernes en Italie et en France. On peut noter un processus similaire dans l'Adriatique, où les premières stations thermales fréquentées par la famille royale ont attiré une clientèle branchée. L'auteur étudie et compare certaines des résidences aristocratiques insulaires les plus connues, comme l'île de Wight, les îles d'Hyères, Capri, Majorque,

Corfou et Brijuni. Les recherches effectuées montrent que les débuts du tourisme moderne dans l'Adriatique suivent les modèles existants des principales stations thermales et balnéaires européennes. La principale contribution de ce document serait de mettre en lien la revitalisation d'un patrimoine culturel unique avec une tradition touristique locale en tant que modèle de développement durable.

Mots-clés: méditerranéen, tourisme, station thermale européenne, stations balnéaire, Adriatique, Brijuni

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UNE APPROCHE EUROPÉANISTE, SOUVERAINISTE POUR TRAITER L'IMMIGRATION IRRÉGULIÈRE EN EUROPE DU SUD *Anna Molnár, Mónika Szente-Varga*

Après la crise migratoire de 2015 et la fermeture de la route des Balkans occidentaux, la pression migratoire s'est déplacée vers les zones centrale et occidentale de la Méditerranée. Cet article examine et compare les mesures prises par les gouvernements espagnol et italien pour faire face à la migration, en particulier irrégulière. L'analyse s'appuie d'abord sur le cadre théorique, ainsi que sur le contexte économique, social, culturel et politique. Ensuite, les politiques des gouvernements espagnol et italien relatives aux mécanismes de contrôle des migrations sont classées, avec une attention particulière à l'externalisation, et donc à la relation de l'Espagne avec le Maroc et de l'Italie avec la Libye. Enfin, les approches qui sous-tendent les politiques en question sont étudiées de 2015 à 2019, à travers la dichotomie entre européenisme et souverainisme. L'article se base sur des analyses de contenu et des analyses comparatives, et s'appuie principalement sur l'étude de données statistiques, de sondages d'opinion, de discours politiques et d'articles d'actualité.

Mots-clés : Espagne, Italie, immigration, européenisme, souverainisme

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LE DÉVELOPPEMENT DU SECTEUR ÉNERGÉTIQUE DANS LA RÉGION DE LA MÉDITERRANÉE ORIENTALE ET SES INCIDENCES GÉOSTRATÉGIQUES SUR LA QUESTION CHYPRIOTE

Evaghoras L. Evaghorou

Les questions énergétiques en Méditerranée orientale ont des incidences géostratégiques pour les États de la région au sens large. Les objectifs des États visant à se garantir des avantages stratégiques et économiques dans le domaine de l'énergie intensifient la concurrence entre eux, tandis que les tensions qui en découlent affectent directement les efforts déployés pour résoudre le problème de Chypre. Cet article se concentre sur les développements géostratégiques et énergétiques de la région afin d'analyser la stratégie des États concernés ainsi que leur impact sur les efforts de résolution du problème chypriote.

Mots-clés: question chypriote, Méditerranée orientale, enjeux énergétiques, République de Chypre

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LES ACTIVITÉS FINANCIÈRES DE LA BANQUE EUROPÉENNE D'INVESTISSEMENT DANS LE SUD DE LA MÉDITERRANÉE

Tamás Szigetvári

Le sud de la Méditerranée, en tant que région voisine de l'Union européenne, a reçu un intérêt particulier dans le cadre de la politique étrangère de l'UE, qui s'est manifesté dans l'aide apportée par l'UE dans le développement économique de la région. La hausse des tensions sociales dans les pays méditerranéens et la pression migratoire croissante de ces dernières années ont cependant accru les défis liés à la région, et donc l'importance d'un soutien au développement plus large et plus complexe également. La Banque européenne d'investissement (BEI), en tant que banque de développement de l'Union européenne, mène une activité de prêt au développement toujours plus importante en Méditerranée. Dans notre étude, nous analysons le rôle de la BEI dans ce financement, et nous soutenons que pour pouvoir remplir son rôle dans l'aide au développement, la BEI doit améliorer ses pratiques d'assistance financière.

Mots-clés: pays méditerranéens, banque européenne d'investissement, développement, opérations financières

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POVZETKI

ALI OBSTAJAJO ASIMETRIJE V PREPLETU MED MENJALNIM TEČAJEM IN DOMAČIMI CENAMI? IZSLEDKI IZ TURČIJE

Attahir Babaji Abubakar

Pričujoča študija preučuje prisotnost asimetrij v razmerju med menjalnim tečajem in domačimi cenami (tako potrošniškimi kot proizvajalčevimi) na primeru Turčije. Mesečni podatki izbranih spremljivk so bili zbrani za obdobje med januarjem 2003 in aprilom 2018. Ekonometrična analiza je bila izvedena z uporabo modelov avtoregresivne meje praga (TAR) in trenutne praga avtoregresije (MTAR) po vzoru Endersa in Siklosa (2001). Ugotovitve kažejo na prisotnost asimetrije v razmerju med menjalnim tečajem ter potrošniškimi in proizvajalčevimi cenami v Turčiji. Sočasno s tem avtor ugotavlja, da so prilagoditve tako potrošniških kot proizvajalčevih cen po amortizaciji menjalnega tečaja počasnejše v odnosu do apreciacije le-tega. Rezultati nakazujejo na neprimernost uporabe enotnega pristopa k upravljanju dinamike ravni cen po nihanjih deviznih tečajev.

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Ključne besede: menjalni tečaj, prehod, inflacija, asimetrija, TAR, cene, Turčija, nelinearno

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ALI JE OPOLNOMOČENJE ŽENSK STVAR SKUPNOSTI?: PRIMER POROČENIH EGIPČANK

Hanan Nazier, Racha Ramadan

Cilj članka je preučiti stopnjo skupnostnih determinant opolnomočenja poročenih žensk v Egiptu, upoštevajoč dejavnike na ravni posameznika in gospodinjstva. Avtorici v prispevku analizirata dve dimenziji opolnomočenja žensk, in sicer odločitve in mobilnosti, z uporabo večdimenzionalnega modela, ki temelji na podatkih o popisu prebivalstva iz leta 2006, demografskih raziskavah zdravja iz leta 2007 in raziskave o trgu dela iz leta 2012 (ELMPS 2012). Avtorici ugotavljata, da so dejavniki odločanja in mobilnosti pri opolnomočenju poročenih žensk precej drugačni, kar potrjuje izhodišče o večdimenzionalnem opolnomočenju žensk. Sočasno s tem rezultati kažejo, da imajo družbeni



kontekst in značilnost okolja, v katerem živijo ženske, pomembno vlogo pri določanju stopnje opolnomočenja žensk v Egiptu. Končno, v sklepu avtorici poudarjata pomembnost razumevanja opolnomočenja žensk kot posledice normativne transformacije družbe namesto posledice premikov v posameznih razmerjih, stališčih in vedenju.

Ključne besede: opolnomočenje žensk, odločanje, mobilnost, družbeni kontekst, MIMIC, Egipt

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ZDRAVILIŠKO IN MORSKO LETOVIŠČE V RAZVOJU EVRO-SREDOZEMSKEGA POTOVANJA IN TURIZMA – PRIMER BRIONSKIH OTOKOV

Nataša Urošević

Avtorica v članku ponudi novo perspektivo pri raziskovanju ključnih obdobij razvoja turizma na Brionih z analizo njihove pomembnosti kot elitnega sredozemskega zdravilišča in obmorskega letovišča v nadnacionalnem kontekstu. Članek prikazuje, kako so se kulturne prakse in vzroci turističnega vedenja, značilni za zgodnja evropska zdravilišča in obmorska letovišča, začela razvijati v 19. in 20. stoletju v Sredozemlju. Podobno kot uveljavljena Evropska mreža zdravilišč, transnacionalnih kulturnih prenosov in skupnih značilnosti, to velja tudi za evro-sredozemsko omrežje letovišč. Številni od njih so se razvili na mestu starodavnih zdravilišč in plemiških rezidenc, kot sta prvi moderni letovišči v Italiji in Franciji. Podobnemu procesu lahko sledimo tudi na Jadranu, kjer so bila prva klimatska zdravilišča, ki so pritegnila ugledne goste. Avtorica v članku raziskuje in primerja nekatere znane otoške aristokratske rezidence, kot so otok Isle of Wight, Hyères, Kapri, Mallorca, Krk in Brioni. Rezultati raziskave kažejo na to, da so začetki moderne turizma na Jadranu sledili obstoječim vzorcem vodilnih evropskih zdravilišč in obmorskih letovišč. Cilj prispevka je razumevanje revitalizacije edinstvene kulturne dediščine z lokalno turistično tradicijo kot modela za trajnostni razvoj.

Ključne besede: Sredozemlje, turizem, evropska zdravilišča, obmorsko letovišče, Jadran, Brioni

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EVROPEIZIRAN ALI SUVERENISTIČNI PRISTOP K
REŠEVANJU NEREGULIRANIH IMIGRACIJ V JUŽNI EVROPI
Anna Molnár, Mónika Szente-Varga

Po migrantski krizi leta 2015 in zaprtju Balkanske poti, se je migracijski pritisk preusmeril proti osrednjim in zahodnim delom Sredozemlja. Avtorici v članku preučujeta in primerjata ukrepe španskih in italijanskih vlad v boju proti migracijam, zlasti neregularnih. V prvem delu avtorici analizirata ekonomski, družbeni, kulturni in politični kontekst ter nadaljujeta s špansko in italijansko vladno politiko do mehanizmov za nadzor migracij, s poudarkom na eksteralizaciji in odnosu Španije do Maroka in Italije do Libije. Končno, avtorici analizirata pristope k zgoraj omenjenim politikam med leti 2015 in 2019 v kontekstu dihotomije med evropeizacijo in suverenizmom. Pri tem se avtorici poslužujeta primerjalne analize, analize statističnih podatkov, javnomnenjskih raziskav, političnih diskurzov in analize medijskih prispevkov.

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Ključne besede: Španija, Italija, priseljevanje, evropeizacija, suverenizem

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ENERGETSKI RAZVOJ VZHODNEGA SREDOZEMLJA IN
GEOSTRATEŠKE POSLEDICE NA CIPRSKO VPRAŠANJE
Evaghoras L. Evaghorou

Energetska vprašanja vzhodnega Sredozemlja imajo geostrateške posledice za države v širši regiji. Cilji držav, da si zagotovijo strateške in gospodarske koristi na energetske področju, krepijo konkurenco med njimi in sočasno neposredno vplivajo na prizadevanja za naslavljanje ciprskega vprašanja. Pričujoči članek se osredotoča na geostrateški in energetske razvoj regije s ciljem analize strateškega vedenja vpletenih držav pri njihovih naporih za reševanje ciprskega vprašanja.

Ključne besede: ciprsko vprašanje, vzhodno Sredozemlje, energetika, Republika Ciper

IJEMS 13 (1): 109–133



AKTIVNOSTI EVROPSKE INVESTICIJSKE BANKE PRI FINANCIRANJU JUŽNEGA SREDOZEMLJA

Tamás Szigetvári

Južno Sredozemlje je bilo, kot sosednja regija Evropske unije (EU), deležno posebnega zanimanja v kontekstu politik EU do zunanjih držav, zlasti pri gospodarskem razvoju te regije. Naraščajoči družbeni pritiski v sredozemskih državah in migracijski pritiski v zadnjih letih so povečali negotovosti, povezane z regijo, s tem pa tudi razvojno pomoč. Evropska investicijska banka (EIB) kot razvojna banka EU v Sredozemlju izvaja vse intenzivnejše razvojno-posojilne dejavnosti. Avtor v članku analizira vlogo EIB pri tem financiranju s predpostavko, da mora EIB izboljšati svoje prakse finančne pomoči, da bi lahko izpolnila pričakovanja glede prihodnje vloge te institucije v kontekstu razvojne pomoči.

Ključne besede: Sredozemske države, Evropska investicijska banka, razvoj, finančno poslovanje

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ملخصات

هل توجد تفاوتات في العلاقة بين سعر الصرف والأسعار المحلية؟ الدليل من تركيا

الطاهر باباجي أبوبكر

تطرح هذه الدراسة مسألة وجود تماثل في العلاقة بين سعر الصرف والأسعار المحلية (أسعار الإستهلاك والإنتاج) في تركيا. تم جمع سلسلة شهرية من متغيرات الدراسة للفترة الممتدة ما بين يناير 2003 وأبريل 2018. تم إجراء التحليل الاقتصادي عن طريق استخدام نماذج "تار" باتباع نهج إندرس وسيكلوس (2018). تشير نتائج الدراسة إلى وجود عدم تناسق في العلاقة بين سعر الصرف وأسعار الإستهلاك والإنتاج في تركيا. ظهر أيضاً أن تعديلات أسعار الإستهلاك والإنتاج بعد انخفاض سعر الصرف تبدو أكثر بطئاً مقارنة بارتفاع سعر الصرف. وأكدت الدراسة أنه من غير الملائم اعتماد نهج واحد لتحليل ديناميكيات مستوى الأسعار بعد تقلبات أسعار الصرف.

الكلمات المفتاحية: سعر الصرف، تمرير، تضخم، تفاوت، أسعار، تركيا، غير خطي

IJEMS 13 (1): 3-18

التمكين شئنا مجتمعي: عوامل تمكين المرأة المتزوجة في مصر على مستوى المجتمع

حنان نظير، راشدة رمضان

يعالج هذا المقال العوامل المجتمعية التي تساهم في تمكين المرأة في مصر، مع مراعاة المميزات الفردية والأسرية. يحلل المقال بعدين لتمكين المرأة؛ اتخاذ القرار والتنقل باستخدام نماذج متعددة الأسباب ومتعددة المؤشرات. باستخدام بيانات التعداد السكاني لعام 2006 والمسح الديموغرافي لعام 2008 بالإضافة إلى مسح لوحة سوق العمل المصري لعام 2012. وجدنا أن محددات اتخاذ القرار والتنقل الخاصة بتمكين المرأة مختلفة تماماً، مما يؤكد أن "التمكين" ظاهرة متعددة الأبعاد. علاوة على ذلك، تظهر نتائجنا أن السياق الاجتماعي وخصائص المحافظة التي تعيش فيها المرأة تلعب دوراً مهماً في مدى تمكين المرأة في مصر بعد تفقد مجموعة متنوعة من الخصائص الفردية والأسرية. تسلط هذه النتائج الضوء على أهمية النظر إلى تمكين المرأة، وبالتالي إلى التنمية كذلك، باعتبارها تحولات اجتماعية ومعيارية بدلاً من كونها ناتجة فقط عن التحولات في الظروف والمواقف والسلوكيات الفردية.

الكلمات المفتاحية: تمكين المرأة، صناعات القرارات، تنقل، سياق اجتماعي، مصر

IJEMS 13 (1): 19-52



المنتجات الصحية والمنتجات السياحية في تطوير السياحة الأورومتوسطية - حالة جزر

بريوني

ناتاشا أورشيفتش

سيقدم هذا المقال منظورا جديداً في توضيح المراحل الرئيسية للتنمية السياحية في جزر بريوني، من خلال تحليل وظيفتها المهمة كمنتج صحي متوسطي راقى في إطار عابر للحدود. سيوضح المؤلف كيف انتشرت الممارسات والأنماط الثقافية للسياحة، الخاصة بالمنتجات الأوروبية المبكرة، في جميع أنحاء البحر الأبيض المتوسط خلال القرن التاسع عشر وأوائل القرن العشرين. على غرار شبكة المنتجات الأوروبية الموجودة آنذاك، تميزت التأثيرات الثقافية الدولية والسمات المشتركة بشبكة أورو-متوسطية من المنتجات المناخية الساحلية. تطورت العديد منها في مكان المنتجات القديمة والمساكن الأرسنقراطية، مثل أول منتجات النخبة الحديثة في إيطاليا وفرنسا. يمكننا ملاحظة ظاهرة مماثلة في البحر الأدرياتيكي، حيث جذبت المنتجات الصحية المناخية الأولى (التي كان يراها الملوك) زبائن عصريين. قام المؤلف باكتشاف ومقارنة بعض المساكن الأرسنقراطية في جزر معروفة، مثل جزيرة وايت وجزر هيبريس وكابري ومالوركا وكورفو وبريوني. وأشار البحث إلى أن بدايات السياحة الحديثة في البحر الأدرياتيكي اتبعت الأنماط الحالية للمنتجات الأوروبية الرائدة. ستنتمثل المساهمة الرئيسية لهذه الورقة في ربط تنشيط التراث الثقافي الفريد بالتقاليد السياحية المحلية، كنموذج للتنمية المستدامة

الكلمات المفتاحية: البحر الأبيض المتوسط، سياحة، منتج أوروبي، منتج ساحلي، البحر الأدرياتيكي، بريوني

IJEMS 13 (1): 53-75

نهج أوروبي أو سيادوي لمعالجة الهجرة غير الشرعية في جنوب أوروبا

أنا مولنار، مونيك سينتي فاركا

بعد أزمة الهجرة لعام 2015 وإغلاق طريق غرب البلقان، تحول ضغط الهجرة نحو المناطق الوسطى والغربية من البحر الأبيض المتوسط. يقارن هذا المقال التدابير التي اتخذتها حكومتا إسبانيا وإيطاليا لمعالجة الهجرة، وخاصة غير الشرعية. أولاً، يتم رسم الإطار النظري للتحليل، إلى جانب السياق الاقتصادي والاجتماعي والثقافي والسياسي. ثم يتم تصنيف سياسات الحكومة الإسبانية والإيطالية حول آليات مراقبة الهجرة، مع إيلاء اهتمام خاص للعوامل الخارجية، وبالتالي علاقة إسبانيا مع المغرب وإيطاليا مع ليبيا. أخيراً، تم التحقيق في النهج الكامن وراء السياسات المذكورة بين عامي 2015 و2019، في الانقسام بين الأوروبية والسيادة. يستند المقال على المقارنة، ويعتمد بشكل أساسي على دراسة البيانات الإحصائية واستطلاعات الرأي والخطابات السياسية والمواد الإخبارية

الكلمات المفتاحية: إسبانيا، إيطاليا، هجرة، أوروبية، سيادة

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تطورات مجال الطاقة في منطقة شرق المتوسط وتأثيراتها الجيوسياسية على قضية قبرص

إفاغوراس إفاغورو

لمشاكل الطاقة في شرق البحر المتوسط آثار جيوسراتيجية على دول المنطقة بأكملها. تتسارع الدول لضمان المصالح الاستراتيجية والاقتصادية في مجال الطاقة من بشكل تنافسي حاد، فيؤثر هذا التوتر بشكل مباشر على جهود حل قضية قبرص. تركز هذه المقالة على التطورات الجيوسراتيجية والطاقية في المنطقة من أجل تحليل تعامل الدول المعنية وكذلك تأثيرها على جهود حل قضية قبرص.

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الكلمات المفتاحية: قضية قبرص، شرق المتوسط، مشكلة الطاقة، جمهورية قبرص

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أنشطة التمويل لبنك الاستثمار الأوروبي في جنوب المتوسط

تاماش سيكينفاري

تلقى جنوب البحر الأبيض المتوسط، باعتباره منطقة مجاورة للاتحاد الأوروبي، اهتمامًا خاصًا بسياسات الاتحاد الأوروبي تجاه الدول الخارجية، وقد ظهر هذا الاهتمام الخاص في مساعدة الاتحاد الأوروبي المقدمة للتنمية الاقتصادية في المنطقة. ومع ذلك، فإن التوترات الاجتماعية المتزايدة في دول البحر الأبيض المتوسط وضغوط الهجرة المتزايدة في السنوات الأخيرة، زادت من التحديات المرتبطة بالمنطقة وبالتالي أهمية دعم التنمية، حيث يقوم بنك الاستثمار الأوروبي، لكونه بنك التنمية التابع للاتحاد الأوروبي بنشاط إقراض تنموي متزايد في البحر المتوسط. في دراستنا، نقوم بتحليل دور بنك الاستثمار الأوروبي في هذا التمويل، ونجادل بأنه حتى يتمكن من تلبية التوقعات المتعلقة بالدور المستقبلي للمؤسسة في المساعدة الإنمائية، يجب على بنك الاستثمار الأوروبي تحسين نمط المساعدة المالية الخاصة به.

الكلمات المفتاحية: دول البحر الأبيض المتوسط، بنك الاستثمار الأوروبي، تقدم، عمليات مالية

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Euro-Mediterranean University
Kidričevo nabrežje 2
SI-6330 Piran, Slovenia
www.ijems.emuni.si
ijems@emuni.si

