

PROPOSALS FOR SPECIFIC ECONOMIC COOPERATION
BETWEEN THE MEDITERRANEAN COUNTRIES

Economic cooperation as the central core of interest in all the meetings of the progressive socialist parties of the Mediterranean

Some time has passed, approximately three years, since for the first time in Spain, November 1976, the progressive and socialist parties of the Mediterranean spoke of "economic cooperation".

In the "Declaration of Barcelona" itself included in paragraph 4 are the following:

"The Socialist Parties that took part in the Conference agreed also to promotion and strengthening of the political, economic and cultural cooperation between the Progressive and Socialist forces of the Mediterranean ".

Some months later at the Conference of Malta, the President of PASOK, Andreas Papandreou, in his central speech emphasized *"The Mediterranean countries will have to coordinate their investment programs and their trade policy towards the benefit of the Mediterranean policy "*. The final "Document of Malta" authorizes the Permanent Secretariat *"to set up programs for political, cultural, economic and commercial cooperation, in accordance with the work of the Conference, for the common interest of the people of the area who are members of the Organization "*.

One year after the 2nd Conference of Malta, at the Scientific International Colloque, organized by the University of Bremen on June of 1978, the socialist development perspectives of the Mediterranean and their international implications was discussed in a more theoretical and scientific framework. At this meeting an analogous proposal for a closer and more practical economic cooperation also found support.

Therefore as one can see "economic cooperation" is not a coincidental or secondary decision of the Progressive and Socialist Parties of the Mediterranean, but a substantial precondition of their general cooperation and the central core of interest.

Besides the indisputable desire for economic cooperation, which was reiterated till today, does not seem that a final step has been taken towards that direction.

Andreas Papandreou states clearly in Malta: *"Our Conference is not a seminar. We are here in order to forge a common instrument of political and economic struggles for the peoples of our region"*. How are we to proceed in practice? What do we mean specifically when we speak of "economic cooperation"? and what are the steps that we must take towards this direction? We have to realize that the cut of a clear line and of unified and concrete aims is not easy for various and objective reasons. The 3 year history of the Mediterranean cooperation from Barcelona to Malta till today has given us the basis for a common orientation.

We could say that during these years, through the meetings and contacts on different levels, the conditions have matured for all forms of collaboration. This becomes clearly conceivable when we think, that the latter doesn't mean anything, and there's no example, in whatever form, of larger cooperation without including the economic element.

There is yet another reason for which economic cooperation projects a substantial and necessary element for the materialization of whatever form of Mediterranean cooperation. We know that:

- 1) The Mediterranean cooperation has sprung from the common belief of the progressive and Socialist Organizations of the region, for a coordinated defense of the people against the Imperialist forces who with their fleets, their nuclear basis, and their foyer of war conflicts, that are developed, increase the danger of a new world conflict.
- 2) The Mediterranean cooperation has taken form, in the hope of liberating its people (Cypriots, Palestinians, Saharoui etc ...) from a foreign domination.
- 3) The Mediterranean Cooperation proclaimed a need for change of the International economic system with a review of the existing relations between the South, that is in the process of development, and the developed North.
- 4) The Mediterranean Cooperation struggles for the rejection of every kind of political, economic and military blackmail that is practiced on smaller developing countries, and:
- 5) Seeks the economic independance of the peripheral countries from the Northern European metropolis.

Given the above efforts and aims of P.S.O.M. we see that included in all of them is unquestionably the element of action, especially the action in its most dynamic form. Action in International relations means almost always the economic criteria. If, of course, we disregard the military action that undoubtedly doesn't concern P.S.O.M. as a means of achieving its aims, then the economic activity, meaning the economic cooperation, is the basic means of materializing the above aims.

We therefore see that an "economic cooperation" constitutes logically the basic core of every form not only of Mediterranean but also of International cooperation. Independent from the above credentials, the economic cooperation constitutes the quintessence of every contemporary International agreement, either in the socialist or the capitalist camp, and that because it has been proven that the economic cooperation has doubtless advantages. The advantages of the economic cooperation converge almost always in the acquisition of larger economic force of the collaborating parts. This force is expressed both in the field of production (specialization of production, obtaining economic growth etc.) as in the field of distribution (reduction of the transport costs and tariffs, reduction of the administrative costs, simplification and unification of trade conditions etc.) and as in the field of factors movement (e.g. Commodity movements, Factor price equalization, Economic effects of factor movements, Labor movements, Capital movements, Movements of entrepreneurial resources etc.)

The economic force which is gained in a multiple of economic cooperations and unions gathers in different places through different manners and is used also in different ways according to the production structure, either capitalist or socialist. Since the production structure in the capitalist countries and their economic integration is based upon the exploitation of man by man and of people by people, it leads to an unequal distribution of the wealth within the same communities, and is based on the transfer of surplus to them from the outside world.

But the acquisition of power in itself through economic cooperation or integration is of course not a finality, nor can it be 'a priori' condemned.

The evaluation of a given economic cooperation between states depends on:

- a) The mechanisms of function of this system, that means if they are basically exploitative and consequently,
- b) from the use made of the power towards achieving economic aggressive or peaceful aims.

From the review of the above analysis we can conclude and support the following: The "economic cooperation" between the Progressive and Socialist Organizations of the Mediterranean and consequently between the Mediterranean countries is a sine qua non condition for every effort of cooperation in general, is also necessary and useful from every aspect and, finally, is ideologically legitimate and internationally constructive; it must be stressed that economic cooperation is also a peace factor, since its aims are firmly and deeply humane, socialist and peaceful.

The Mediterranean potential

To give an image of the economic potential and the natural resources of the Mediterranean area, it would be enough to mention some characteristical figures in the case of one hypothetical unity of this area. The Mediterranean would have a population of approximately 300 million and would rank in third place after China and India; it would have an area smaller only than that of the U.S.S.R. and China. However, it would be 1 million square kilometers bigger than the U.S.A. and five times bigger than the Common Market.

The natural wealth it offers would be enough to rank it close to the wealthiest countries of the world, since it offers an infinite number of minerals e.g. aluminium, chromium, iron, copper, lead, mercury, antimony and magnesium as well as many others in quantities which will rank in the second, third and fourth place in world wide production. The Mediterranean basin also disposes large quantities of oil and natural gas, although the greater part of its surface has not yet been explored; there are also well based hopes that large quantities of minerals are hidden. Uranium also exists in many Mediterranean countries and of course the future source of energy "the sun" exists in unlimited quantities. If one adds to all this the "natural unity" that appears in the Mediterranean area with its uniform bioclimate, the Mediterranean sea in itself is a natural water-way easily connecting all our countries without problem ; the unique climate and the Mediterranean nature permit the springing and cultivation of a great number of singular products compared world-wide; the basin attracts yearly approximately one third of the entire tourist trade in circulation. What about the unique history of the area establishing it as a center of the major civilazations and principal religions on earth, its singular geographical position at the crossroad fo three continents where it commands a strategic junction point with an unquestionably capital position. If one considers all the above, then we believe that the Mediterranean would have nothing to fear when compared to any other interstate unity on our planet.

Specific proposals for practical economic cooperation to develop today are two:

1. A central core for the scientific and ideological guidance and planification of the economic cooperation, and
2. The immediate development of possibilities of financing, concrete plans of economic cooperation.

To materialize then the above two conditions of economic cooperation and also for the inauguration of immediate and practical work, specifying completely that which we called up to now relatively vaguely "economic cooperation", we suggest:

A) A proposal to be put forth to the plenum of the Conference concerning the creation and function of the Centre of Mediterranean Studies. Its aim will be the scientific and ideological guidance and the planning of the "Mediterranean cooperation" in general, and more specific of the "Mediterranean Economic Cooperation".

B) In this Centre basic ideas will be conceived and the scientific programs of the Mediterranean Cooperation will be elaborated.

The Centre will engage economists, sociologists, ethnologists, public affairs people and generally scientists and specialists from the necessary disciplines who will work on specific projects within the framework of economic cooperation of the Mediterranean countries.

It will offer a complete publishing department where periodical issues of cultural, investigative, political, scientific and informative content will be published in Arabic, French and English.

The Centre will pose concrete proposals to Mediterranean countries, emphasizing the benefits and advantages, forthcoming if a certain economic policy is followed within the framework of economic collaboration.

A prototype development will be worked out that will ensure:

- a) That the economic resources of our region will be utilized for the benefit of the people who live in the Mediterranean basin.
- b) That technological advancement will become the servant and not the master of our lives.
- c) That development for each country will be balanced and auto-centered instead of being unbalanced and outward directed.

d) That the economic development based on social planning will take form and shape giving proper weight to the social, political and cultural values, which include among others the preservation of our cultural traditions and natural environment, and

e) That the exploitation of man by man be stopped.

B. Creation of an Institute of Technology Research

The Institute of Technology Research will constitute a basic Mediterranean Institution for the gathering, working out, preservation and propagation of Knowledge and Know-How which are indispensable elements for the creation of a free autonomous and socialist Mediterranean.

Indicatively we will mention some of the principal branches of technological research that must be given special weight by the Institute:

- Solar systems development
- Biologically inspired development
- Petroleum refining development
- Chemical engineering development; mechanical engineering fields
- System engineering development
- Technical education
- Communication technology; information theory development
- Environmental effects and conservation
- Mass production method development
- Integrated circuit development

C. A proposal to be put forth to the plenum of the Conference for the creation and functioning of a "Mediterranean Bank"

Some of the aims of the "Mediterranean Bank" could be for example:

- a) the financing of development programs which favour the cooperation between Mediterranean countries,
- b) the financing of joint ventures between companies of the Mediterranean countries,
- c) the financing of transportation and communication programs between the Mediterranean countries,
- d) the financing of programs exploiting the maritime, sea and sea-bed wealth of the Mediterranean sea,

- e) the financing of reserach programs, the discovering and exploitation of subterranean mineral wealth and petroleum oil in the Mediterranean countries,
- f) the financing of the development of inter-Mediterranean tourist programs,
- g) the financing of common trade programs in foreign markets of typical Mediterranean products, and
- h) the financing of other programs concerning Mediterranean economic cooperation.

The "Mediterranean Bank" could for example begin with a preliminary deposited capital of 300-500 million dollars that could be covered by:

- government and private participation of the Mediterranean countries with their socialist party in government,
- contributions from progressive socialist parties and organizations of countries which do not have socialist governments,
- the private contributions of Mediterranean Socialist party-members,
- private contributions of individuals, legal entities of private law and businesses of Mediterranean countries until a predetermined height of total participation is reached. In the founding charte of the Bank the total and permanent control will be secured by its founding members.

The "Mediterranean Bank" could use cheap, borrowed Arab "petro dollars" which today have slipped from the control of the Arab countries and are scattered in various multinational bank organizations, usually with a very low interest rate.

The creation and outline of the Bank function must be undertaken by a special committee of experts that will be assigned that task by the Permanent Secretariat.

The Bank could have its chair in Tripolis, Algiers or Damascus. It will be required to create branches in all the Mediterranean countries and later in other countries and cities of the world.

The "Mediterranean Bank" could solve the major problem by putting into function the mechanism of Economic Cooperation in yet another way:

- by financing programs of verticalization and the division of production to develop the basic productive resources of the Mediterranean, e.g.
- developing industrial units that will include all the procedures from the research, to the discovery of mining minerals, as well as the primary and secondary labour treatment, or investing industrial units that employ a lot of man power.

This way we could diminish exploitation of the raw materials, as well as of the manpower in the capitalist countries of the North.

Basic sections will thus be controlled in National or Mediterranean decision centers.

Parallel to the creation of the above three Mediterranean institutions, i.e. "Center of Mediterranean Studies", the "Technological Institute of Research" and the "Mediterranean Bank", which will carry all the weight and will create the cornerstone for the function of the Mediterranean Economic Cooperation, we propose to establish two committees that would be able to engage on equally effective programs of Mediterranean Economic Cooperation.

- 1) Forward to the plenum of the Conference a proposal for the creation of two committees to study the possibilities of coordination, the tariffs and trade policy.

The committees' aim will be to submit two categories of proposals.

- a) Proposals for the gradual decrease in external tariffs for specific Mediterranean products from 10 - 20% in the initial stages.

After having studied the effects of the decrease in tariffs on each country, this preparatory committee will publish its conclusions and will make suggestions to the respective governments how to apply them.

At its own discretion any government whether socialist or non-socialist, may apply the proposals or part of them depending on the benefits anticipated, should they be applied.

At the second stage, this committee could propose to gradually bring into line the tariffs on imports from outside the Mediterranean area; it could also work out a common strategy on commercial negotiations, later on, the committee could also construct a detailed exposition concerning the economic policy of each country within the Mediterranean basin.

This exposition could constitute the base from which any further decisions could be supported according to a policy of coordination in a series of sectors arranged.

b) Proposals for the cooperation of the Mediterranean countries, determining uniform prices and a Common Marketing Policy, in the foreign markets for i) typical Mediterranean products as for example: Olive oil, olives, oranges, and certain wines etc... and ii) for certain basic minerals for example: aluminium, chromium, magnesium, copper, etc...

1st After having studied the advantages and the disadvantages from such a common trade policy. The committee will publish its conclusions and will propose to the respective governments its potential practical application. After checking the economic efficiency of the proposals and the money is ensured the Mediterranean Bank may finance part or all of these proposals.

2nd The governments concerned will study in particular the possibility of financing the programs themselves, after it has been ascertained that positive results will follow application of the proposals, and that they do not confront any unsurmountable difficulties as for example participation in the EEC or elsewhere.

3rd The committee will recommend a subcommittee which will be occupied exclusively with the outline of a Mediterranean Retailing Organization which will have the business form of a Mediterranean Chain Stores Enterprise. The central idea of this Mediterranean Chain Store Enterprise resides in the possibility of which the Socialist governments and Socialist parties of the Mediterranean perhaps cannot apply, and can be applied through a small financial aid or loan, and can be supported by the Mediterranean citizens as customers.

A chain or Retail Stores will be created with outlets to all the Mediterranean countries, where exclusively Mediterranean products will be sold such as, Handicrafts, Industrial and typical agricultural products.

The consumers will be ensured for all the stores. This is true because besides the members of the socialist parties, who will compose a sure and permanent clientele, they will also be visited by many Mediterranean citizens, who will wish to buy from the original stores, in some way related to them culturally.

The Mediterranean Bank can ensure the financing of its project, but even without its contribution, immediate difficulties will not ensue because it is calculated that:

- a) The cost of every store will not surpass \$100,000 so that for the first 20 stores the amount required will be of approximately \$2 million.
- b) If we add to this the cost of capital movement inventory etc... in other words another \$2 million, then the total required capital will rise to \$4 million, which it is not considered difficult to find.
- c) The preparatory work which will be required in each country may be offered from the members of the Progressive and Socialist parties at no cost.
- d) The Organization and outline of the creation and functioning of the Store can be done by specialists, volunteered by the PASOK members.

The project of the Mediterranean chain stores will create immediate, efficient and profitable cooperation between the Mediterranean countries offering to them many advantages and contributing in the most rapid and positive manner to the realization of "Economic Cooperation" because

- a) A contact between the Mediterranean people will be strengthened because many known and unknown products of each country will become known and amicable by the other countries.
- c) An initial team of people will be created (by the employers of the retailing organization) who for the first time will work upon a common Mediterranean project. Many party members of countries whose Socialist parties are not in government, face the problem of unemployment and difficulties of being used by the party mechanism, will find employment

- e) In this fashion, parallel to the stores, a type of permanent trade exposition will be created and will be able to take on in a short time other such projects such as Mediterranean tourist projects, trade representatives etc... with many benefits for all parties.
- f) A base will be laid down for a strong up to date Mediterranean trade Organization that will shortly be able to expand in other regions (for example Europe) with all the positive results that follow.
- g) Significant profits will accrue, that are so much needed by the Mediterranean cooperation so that it can someday become a living reality.

The above proposals were fully aware of the difficulties and problems that appear today in the Mediterranean area. I believe furthermore that this fact does not escape from the attention of those who participate in the Conference.

Also upon finishing I must emphasize that the proposal includes quite a few generalities; perhaps certain deficiencies on certain very specialized matters which are touched, surely many simplifications and unquestionably quite a few imperfections.

However, everything that was proposed is realizable and is definitely feasible, therefore a positive or negative stance that one might decide on cannot be justified by only taking account the above mentioned general actions, simplifications and deficiencies. It also must be emphasized that the Progressive and Socialist forces of the Mediterranean cannot contribute to the same extent to the collective effort. That is understood by all. For that reason, those who can offer more today and therefore effectively aid in the realization of Economic Cooperation should show more courage, decisiveness and enthusiasm, and others should then follow. Therefore let us start with a small but concrete step forward today.

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