

THE CONTRIBUTION OF THE EUROPEAN UNION TO THE
PEACE AND DEVELOPMENT OF THE MIDDLE EAST

VALÉRY GISCARD D'ESTAING, former President of France

February 8, 1996

The 1996 Issam Fares Lecture



"The Contribution of the European Union to
the Peace and Development of the Middle East"

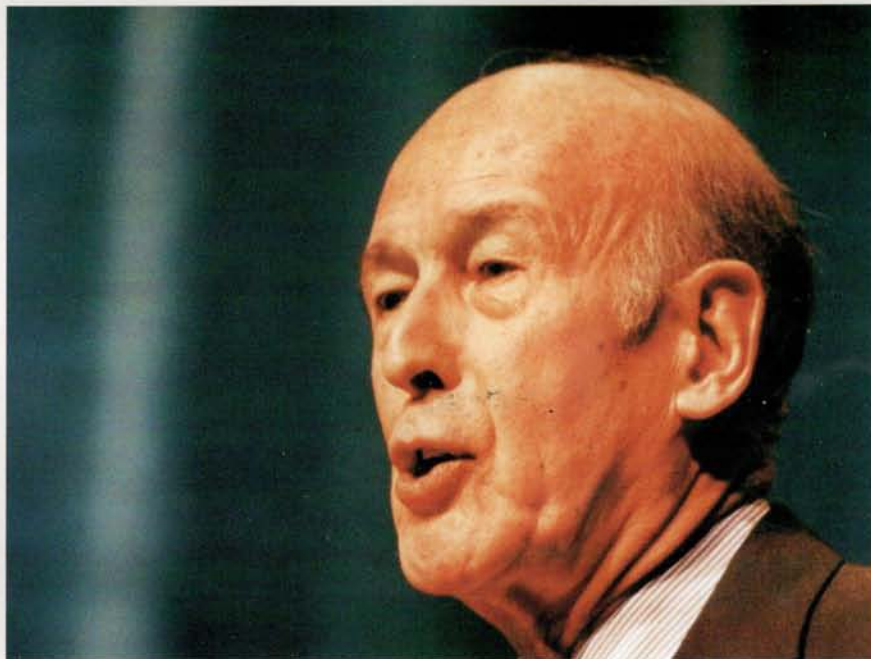
with

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T U F T S U N I V E R S I T Y

VALÉRY GISCARD D'ESTAING



Valéry Giscard D'Estaing has committed his life to serving his country. As a young man, he served in the French Resistance. At age 18 he enlisted and participated in the French and German campaigns, for which he was awarded the Croix de Guerre. He completed his studies at the Ecole Polytechnique and the Ecole Nationale d'Administration, joining the Inspection General des Finances in 1952. In 1956 he was elected Deputy to the National Assembly, and was re-elected four times until 1974. He served as Minister of Finance and Economic Affairs (1962-1966) under Presidents General de Gaulle and George Pompidou. In 1974 he was elected President of France, and served until 1981.

From 1984 to 1989 he served as Deputy to the National Assembly, and from 1989 to 1993 as deputy to the European Parliament. In 1986, along with Former Chancellor Helmut Schmidt, he created the Committee for the Monetary Union of Europe. Valéry Giscard D'Estaing is the author of several books, including: «*Le Pouvoir et la Vie*» in 1988 and «*l'Affrontement*» in 1991, and political analyses such as «*In Five Years, the Year 2000*» in 1995.



Issam Fares

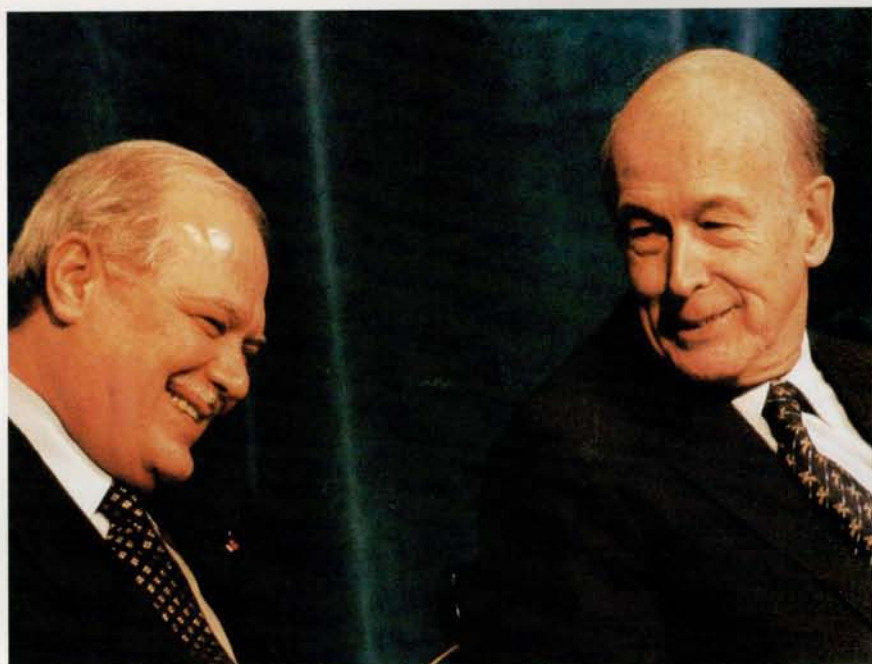
It is an honor and a privilege to introduce today's our distinguished guest speaker in the «Issam Fares Lecture Series» here at this great university. Our speaker is not only a former President of France. He is also an active builder of Europe – an integrated, dynamic union of states well positioned for prosperity and global leadership as the 21st century approaches:

President Valerie Giscard D'Estaing graduated from the prestigious Ecole Polytechnique and the National School Administration. Abandoning a promising civil service career for politics, he won his first parliamentary seat in 1956. His brilliance was immediately recognized and in 1962 he became Minister of Finance and Economic Affairs. In 1974 he was elected President of France. Following his presidential term, our speaker turned his talents toward unifying the conservative opposition. Lately his attention has turned to the broader European scene. He has been actively involved in the European Parliament, and he has been a leading figure in the development of the European Union. President Giscard D'Estaing has become a tireless worker in the effort to unify the European economy and to fashion a Europe in which France will play a key role in strengthening its stability and development.

As a Middle Easterner – and especially as a Lebanese citizen – I believe our distinguished speaker is uniquely qualified to speak to our current concerns. What he has helped bring about for France and for Europe is what we want to bring about for Lebanon and the Middle East. President Giscard D'Estaing worked hard to restore civility and equilibrium in French politics. We want to restore civility and honor to Lebanese politics after our long and dreadful civil war. Today President Giscard D'Estaing works hard to build a harmonious and integrated Europe. This is exactly what has been sadly missing in the Middle East – harmony and integration. We look to you, Mr. President, for your advice and counsel. As a statesman of France, your words are especially valued because your country has played a unique and central role in the development of our country. We, as Lebanese, deeply appreciate France's role in the creation of the modern Lebanese state. We recognize France's historical concern for our national welfare. We feel a special cultural affinity with your country. We will not forget France's constant friendship during our difficulties.

I have no doubt that France under President Jacques Chirac will continue – and indeed deepen – this historic, fruitful and special relationship.

Ladies and gentlemen, permit me a few words about my country, Lebanon, and the troubled Middle East. We want to put Lebanon on its feet, and we want to share in building a new Middle East in which Lebanon will live in

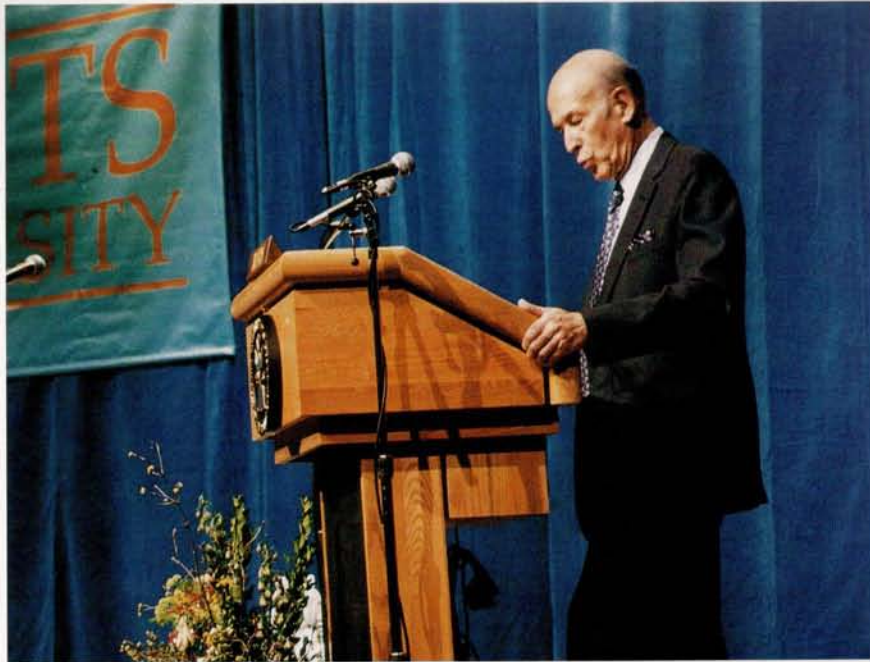


peace, stability, and progress with its neighbors. Lebanon went through very difficult times in the past two decades. In 1975, we entered into a bloody war that was ruthlessly inflamed by regional conflicts.

Thanks to the determination of our people we are now developing consensus on the permanency of Lebanon as a nation and on its democratic institutions. We have now enjoyed five years of peace and security during the Presidency of His Excellency, Mr. Elias Hraoui. Considering the wartime devastation that we suffered, I am amazed and heartened by how far we have come in such a short time. Much, of course, remains to be done.

On the internal front we have taken giant steps toward putting our house in order. What about the external front? Here our role is relatively limited. We are, after all, a small country. Therefore we expect the US and Europe to do their share in bringing about a stable, just, and comprehensive peace in the Middle East. I applaud the efforts of the Bush and Clinton Administrations to bring peace to our troubled region. I am totally convinced of President Clinton's high-priority commitment toward this end and like so many people across the Middle East, I admire his dedication. However, peace will not be complete until the Syrian-Israeli negotiations reach a successful conclusion. We have a strong interest in these negotiations because we have close and distinctive ties with Syria. What will peace mean? I believe that with peace, the Middle East region will move steadily toward liberalism and democratization. New trade routes will open; new patterns of social and cultural exchange will emerge. Lebanon has always stood for liberalism, democracy, free trade, and open dialogue across religions and confessions. If the new Middle East embodies these values – as I believe it will – then Lebanon is destined to play a leading role in it. We will enter the era of peace as active partners. We will enter it with confidence and with the vision of a people conditioned by history and geography to think regionally and internationally.

Lebanon has always been unique in the region as a «free zone» for artistic, education, and intellectual expression. Our universities set the standard for academic achievement. Once again, Lebanon will be the hub of the region's cultural life.



Valéry Giscard D'Estaing

Well, it is really a great pleasure for me, and I would rather say for us, to be here at Tufts University, welcomed, a warmly welcome by so many friends. I just had a short glimpse of Tufts which is a beautiful place that conveys a remarkable sense of peaceful, intellectual achievement. First of all, I would like to thank you, President DiBiaggio, for your very kind and flattering introductory words. I would like to praise you for your decisive contribution to improving the standards of this university. I also understand that some students of the Fletcher School of Law and Diplomacy are attending this lecture. The Fletcher School is one of the finest teaching centers of diplomacy. But, believe me, diplomacy is also one of the most frustrating fields. You spoke about being a President of the Republic, but you did not explain what a President is and so I will tell you a story that took place in Boston a few months ago: An old man lost his wife, and he was saddened by the event. He felt lonesome until he decided to look for a small animal as a companion. He did not choose a dog or a cat because he wanted someone to speak to: so he opted for a parrot. And he went to a pet shop, and this pet shop was full of birds, and full of parrots, and some of them were beautiful, brilliant, some less. He was not very wealthy, so he saw a parrot that was green and red and he asked the shopkeeper for its price.

The shopkeeper said: «You know it is mostly for European customers, because it speaks 13 languages; 13 languages of the European Union. It is an expensive one and it costs something like \$500.»

He told him, «Sir, well it is a little bit too expensive for me, at a time like this in which Medicare is being disrupted, and I want a bird that will be a little bit cheaper.»

-«Yes, we have one, this one. It speaks only the languages of North America; two languages: English and Spanish, and also a few words of French Canadian.»

-«What's the price for it?.»

-«\$350.»

The man was thinking, «This is very, very expensive.» Then he looked into a corner and there was a parrot which was rather dumb, with worn feathers. It looked tired, and so he thought that probably this one was cheaper. He asked the shopkeeper:

-«And this one, what's the price of this one?.»

-«Ah, this one is \$1000.»

-«Why? Because it is not that beautiful but speaks many languages?.»

-«No, no. It speaks only one language but you know the reason for the price

«The fear of a Third World War was conjured up and the management of this equilibrium required patience, good friends, moderation, and at the same time, a willingness to seize every opportunity to advance on long term goals.»

A tribute to Issam Fares

A very strong relationship between France and Lebanon

The Middle East

Dramatic changes that took place in the world

is that when the other parrots address it, they call it: Mr. President!»

Before addressing the subject of my lecture, I must stress that our gathering here would not have taken place without the endeavors of Mr. Issam Fares. He initiated the cycle of conferences on the Middle East and the problems it has to address. I would like, sir, to pay tribute to the ceaseless efforts you have made to promote educational, humanitarian, and social projects which have so mightily helped people throughout your country and the world. You live up to a fine but rare tradition of civic and social commitment, and you show extraordinary industriousness; qualities we are not, unfortunately, used to seeing. As a Lebanese patriot, you spare no effort to help re-build a nation torn apart by endless years of grueling civil war.

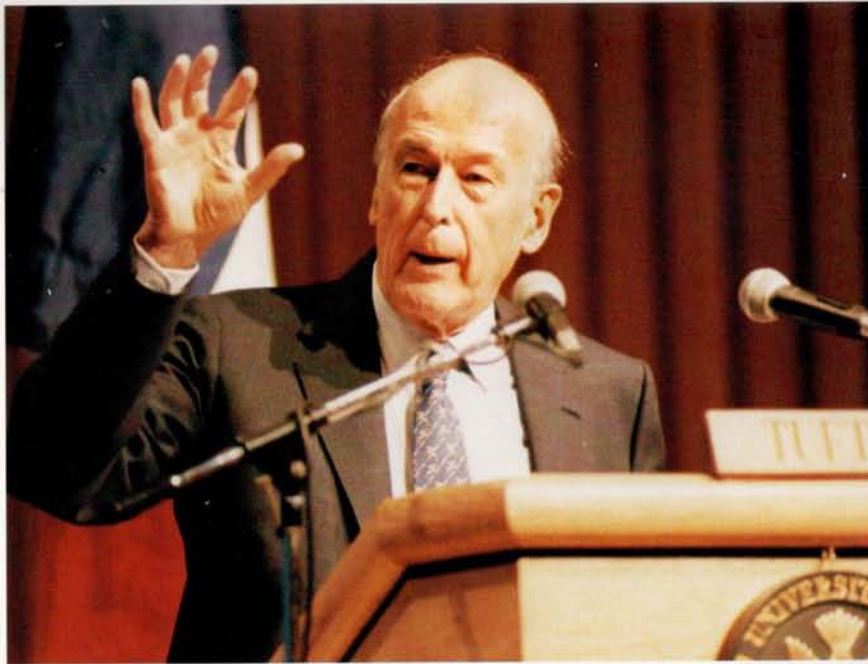
Lebanon requires our attention. You know that France had with Lebanon a very strong and special and multi-secular relationship for 900 years, as a matter of fact. For the past 20 years, and mostly since 1975, France has always sided with Lebanon, relentlessly emphasizing that any durable peace for this country should be based on its integrity and sovereignty. I am rather optimistic for Lebanon when I see the economic reconstruction currently underway. Men like Issam Fares are pivotal in rebuilding bridges that religious hatred, bigotry and regional rivalry so mindlessly destroyed. I do believe that time has come for Lebanon to consider its own future with a measure of optimism, and to overcome the sad memories of past turmoil.

The question of my lecture is: What does the future hold for this region and the Middle East as a whole? Is there a solid reason for lasting hope? Would it be too hazardous a thought to infer from the recent peace developments between Israel and the PLO that war has completely disappeared? Are we deluding ourselves by self - serving prophecies?

I would like to consider first, and briefly - because time is running out, and I would like to have some time for questions - the extraordinary pace of change which has so profoundly modified the pattern of international politics since 1989.

I would then like to evaluate how this change of paradigm in international relations has affected the Middle East, and I will later try to assess the role of the European Union in the peace process and its answers in shaping a comprehensive agenda for the future of the Mediterranean.

The first point is that the world has changed beyond recognition, and I think if we do not keep this in mind it is very difficult to give any useful judgment of what is happening now, because events that could not be dreamed of finally occurred: the fall of the Berlin Wall and Germany's reunification; the



demise of the Soviet Empire; the PLO leader shaking hands with an Israeli Prime Minister on the White House lawn. I met, by chance, I would say, all the leaders of the 1970s, the famous ones and the modest ones, and not a single one of them would have imagined that 15 years later any of these events would have occurred. We have witnessed, for the past seven years, extraordinary changes, and these transformations have taken us by surprise. No policymakers, teachers of political science, scholars or pundits could have anticipated such events. As Arnold Toynbee once said, «History is again on the moon.» Why were we caught so unprepared?

I think the explanation is that we had grown progressively accustomed to a world order that had demonstrated its durability, its predictability, and, for the Western part of the world, its relative comfort. We deluded ourselves into believing that this Cold War order could not falter. In the meantime, a deep ideological conflict divided the world: liberty versus totalitarianism; democracy versus communism; free market economy versus bureaucratic planning. As a consequence, in every field of political or economic activity, bipolarity was the key to this world order which emerged progressively after the Second World War. This very rigid pattern was imposed on international affairs; no nation could escape this simplified logic. States had to act diplomatically along the constraints of a system based on two power blocs and each bloc was led by two continental states: the United States and the USSR, which built themselves after the beginning of the 1960s into military superpowers. A divided Germany was legitimated by two conflicting philosophies: Marxism against liberalism, and it was regulated by nuclear deterrence.


For 30 years, in fact, from the beginning of the 1960s to the end of the 1980s, this international order provided a framework, and even an exceptional one, of stability. The fear of a Third World War was conjured up and the management of this equilibrium required patience, good friends, moderation, and at the same time, a willingness to seize every opportunity to advance on long-term goals. And, in the end, after 1989, the time element played on the side of the democracies. The Soviet Empire found itself almost naturally vindicated, in retrospect, those who had bet on the benefits of détente which had been, at times, so derided. Yalta had been reversed without a single bullet; the ancient order had vanished. Thus, what will be the geopolitics of the year 2000?

There was an illusion of a New World Order that President Bush envisaged in the aftermath of the Iraqi defeat in 1991, but I think that this illusion has faded. It was knocked down by the absurdities of bitter conflicts throughout

The ideological conflict that divided the world

Time element played on the side of democracies

A new world order



The pursuit of peace in the Middle East

The present situation in the region

the world and a renewed nationalism that had been suppressed for a long period. We were misguided into thinking that the collapse of Soviet Communism would automatically achieve harmonious co-existence between nations. Nonetheless, in the long term, a New World Order is in the making and this New World Order will probably be characterized, in my opinion, by three major trends: globalization, diversification and fragmentation. I will try to guess if these trends are ushering a period of disruptive violence or lasting stability. I would think a combination of both. The world will oscillate between global stability and regional turbulences. Four major actors will shape the next 20 years. I say 20 years because it is a known schedule for the Chinese people when they have to give advice on the future, but it is not a good timetable for a President! The four major powers are: the United States of America, the European Union, Russia, and China. The stability of the world depends on the ability to work out a coherent agenda revolving around the following important issues:

- Should we consider that the Middle East no longer poses a global threat to the world order?
- Should we take for granted that the breathtaking achievements of the past four years will never be rolled back?
- Can we dismiss the extremists' forces and regimes which have too often in the past succeeded in derailing the best-engaged negotiations?

To these three questions my answer is, definitively, a yes. The pursuit of peace in the Middle East has been a major item on the foreign policy agenda of the major international actors for the past 40 years. It has been, however, a most frustrating and elusive quest for long, for all those who have been engaged in frame-working the negotiation process. Time and time again, some breakthrough would occur, for instance the Camp David Accords in 1979, which were welcomed as a historical development, but they rapidly stalled as President Sadat was gunned down by an Islamic extremist. And we had to wait for 10 years - 10 years later, as the Cold War was brought to an end - when the Bush-Baker team boldly launched a peace process while taking into consideration the importance of the USSR as a major player. That move happily developed in a success of amazing proportions at the Madrid Conference at the end of 1991; the Oslo Agreement in September 1993; the Israeli-Jordanian Peace Treaty in October 1994; and to crown this seemingly unstoppable march to peace, the election a few weeks ago of the Palestinian Council.

What are now the next steps? A peace treaty between Israel and Syria and



The principles laid down in the Madrid Conference

Lebanon, and the final status of Jerusalem which will represent, as you know, a major difficulty for negotiators to solve. The Bush Administration was wise enough to understand that a dual sponsorship of the peace process at Madrid would save Russia's face, thus avoiding a further international humiliation of Russia, which would have probably tried to complicate the game. Arab states were, consequently, unable to play off the USSR against the United States. Had the process evolved, Russia had no trump card to play back and could not, in fact, influence the negotiations. The United States was free to maneuver and lead the bilateral and multilateral discussions. The military defeat of Iraq in the Gulf War proved to be a golden opportunity for the peace process because the Arab states that had supported the invasion of Kuwait were left in disarray and the United States had succeeded, then, in forming a coalition of Arab moderates who even took part in the military action. Syria joined this coalition, demonstrating once again the political flair of its President. The main consequence was to break the consensus among Arab States and to lift a taboo, since an Arab state could declare war on another one and peace could be made with an arch-foe like Israel.

Eventually, the principles laid down in the Madrid Conference, when you remember them, were vague enough to make the process acceptable to all. It was a forum large enough to create its own dynamic momentum, as Helsinki had been for Europe. The presence of strong personalities and commitment to finding a solution were absolutely crucial in furthering the peace process, and it is a rare occurrence in history when both enemies come to realize that there is a time for peace. Rabin, Peres, Arafat lived up to historic expectations. A statesman's greatness is not measured by the size of the country he rules, but by the magnitude of the problems he solves. If we follow this standard, we find that Yitzhak Rabin, Shimon Peres and Yasser Arafat were, without any doubt, recognized among the great statesmen of our time. The peace process in the Middle East has now, in 1996, a good chance to achieve its ambitious goals. Of course, conflicts and violence remain, but three factors are converging to push forward the negotiations: a legitimate, elected Palestinian Council; the Israeli-Syrian talks; and elections both in Israel and in the United States.

The role of the European Union in the Middle East

All these factors will help move the process forward and, all in all, prospects for peace in 1996, in the Middle East, look rather encouraging. However, the question is: did the European Union play a significant role in the Middle East peace process during the last five years? The sad and short answer is: no. The European Union, unhappily, has been mainly a bystander,

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excluded from the core political and diplomatic issues, asked to foot the bill for the agreements that have been negotiated, concerning, mostly, the international financial aid earmarked for the region, without gaining any political reward for its considerable efforts. My personal opinion is that European Union diplomacy should take the lead in defining a clear agenda for the region. I have strongly voiced on many occasions my regret that Europe had withdrawn from any direct involvement in the peace process in the Middle East and had accepted a back seat in a negotiation that it should not have ignored. A one-voice Europe should have been heard at Madrid. From the onset, it was crystal clear that Europe had accepted a diminished role. It should have demanded to be placed on an equal footing with the United States and the USSR as a co-sponsor. It was rather obvious that, as a junior partner, Europe would be unable to influence the process.

Madrid had established five multilateral groups to discuss:

Regional security, water and environment, economic development, arms control and refugees.

Thus, one of the most strategic groups such as «arms control», and even «water», were presided over by the United States. And, in fact, when you look at the past 20 years, the United States and the USSR (not yet Russia at that time), have been eager to push the European Union to the sidelines because it was a long-held view, both in Washington and in the Kremlin, that the involvement of Europe in the Middle East would only muddle things up. The Suez crisis had done away with the status of «great powers» for both England and France in that region, and it was a common understanding that peace or war in the Middle East was too serious a matter to be handled by Europe. So the European states were associated as useful auxiliaries rather than genuine partners. And when you see the results of the peace negotiations initiated at Madrid, it is a sort of bitter and ironic full circle for Europe, because the very core of the peace agreement reached between Israel and the PLO was based on principles long advocated by Europe.

On June 13, 1980, the European Council gathered in Venice and declared, and I quote: «The PLO should be part of any peace negotiation, and territorial autonomy should be a crucial element of a future peace agreement.» At that time, both of these views were highly unfashionable and were coldly received, and direct talks with the PLO were then considered anathema to both Israel and the United States. I had personally pressed hard for the mentioning of territorial autonomy and the necessity of the participation of the PLO in a peace settlement, considering that peace negotiations would reach a dead end if the PLO was ignored. Furthermore, I had the chance to

«Does the European Union have a role to play nowadays? My answer, which challenges the conventional wisdom, is that Europe will shape the framework for the new Middle East and Mediterranean region in the years ahead.»



Southern Mediterranean states are fragile

«We should not, however, be too over-simplistic. There is no large-scale conspiracy spreading and leading to an Islamic crescendo. Each country has to deal with its own problems.»

The European Union is ready to shoulder its financial burden

meet Yitzhak Rabin and Yasser Arafat, both of them in 1994, and both stressed the fact that the «Venice Declaration» had laid down the foundations for the later breakthrough.

Does the European Union have a role to play nowadays? My answer, which challenges the conventional wisdom, is that Europe will shape the framework for the new Middle East and Mediterranean region in the years ahead. The European Union must rise to the task. Should it fail to create these new partnerships, Europe might face very great difficulties because the southern Mediterranean states are fragile. Their societies are bubbling with some sort of anti-Western hostility. Islamic movements, without oversimplifying their doctrines, share a common dislike of the government they live under, and by toppling inefficient governments they hope to get back to the root of the Islamic faith. We should not, however, be too over-simplistic.

There is no large-scale conspiracy spreading and leading to an Islamic crescendo. Each country has to deal with its own problems. The situation in Algeria is different from Egypt; Saudi Arabia is different from Iraq or Turkey. But all these states need to sort out basic problems such as economic development, women's rights, democratic deficiency and the demographic waves. If these problems are not adequately addressed, consequences are to be feared in Europe. The latter cannot insulate itself from its southern border. For instance, if the Algerian regime flounders, refugees will immediately try to flee towards the shores of Italy, Spain, and France, and this might inflame right-wing nationalists. So the European Union must help the southern areas of the Mediterranean and with a clear foreign aid policy that takes into account the consequences of large political upheavals on the other side of the Mediterranean. It should also be noted that, in sharp contrast to common belief, the European Union is far ahead than the United States in terms of economic assistance. I would like to point out that Europe is already, by now, the leading contributor in financial aid for the whole Mediterranean region. Its position will remain unchallenged for the years to come and its financial contribution to the peace process is enormous. No doubt the United States has brokered peace between Israel and the PLO, but the European Union's contribution to peace is to get the Palestinian Authority on its feet, economically and administratively, and this is not a small achievement.

The European Union believes that the main threats to political stability arise from gaps between economic and social expectations on one hand and reality on the other hand. The peace process might ultimately fail if it does not have the financial means to move forward and bring to governments, and to the people, a significant economic improvement.



The importance of the Barcelona Declaration

The European Union is ready to shoulder its financial burden, and to give you just one practical example: a gathering of NATO in Paris a couple of weeks ago provided some financial aid to the Palestinian territories, mainly in the Gaza Strip. The European Commission allocated \$120 million. In addition, France, Germany and Great Britain each gave \$20 million; the total for Europe came to \$180 million. The United States provided \$70 million, and Japan \$100 million. Thus, the numbers speak for themselves. We should not blame the United States for its reduced foreign aid because federal deficits put some hard constraints on economic assistance and the United States is lacking the fiscal resources to support big foreign financial programs.

The European Union, however, in spite of similar fiscal constraints, has increased its aid toward the Middle East, and also its aid for Bosnia. The civilian needs for Bosnia - which has known links, as you know, with parts of the Middle East - are estimated at \$5.2 billion over the next four years, and the European Union is already planning to give \$1.2 billion.

What is the reason behind this large-scale aid? Since the Barcelona Declaration that went almost unnoticed despite its importance, because all of the Mediterranean and Middle Eastern countries participated for the first time last November, the European Union has developed an ambitious agenda in order to promote economic growth in the Mediterranean region.

First, it launched a Mediterranean partnership that includes conferences to be convened on a regular basis in order to promote political dialogue and stability and prevent conflict.

The second ambitious goal is to create and promote a free commercial zone for all the countries involved, with a deadline set for 2010. It has become very common to say that Communism was defeated by free market economy and free trade. I think that the European Union is right to focus on economic growth that will contribute to alleviating social difficulties in the Mediterranean countries. The European Union has pledged to provide \$6.2 billion in financial aid in the form of grants for the next five years.

This free trade zone will be implemented step by step so as to have a smooth transition. Partnership agreements have already been concluded during the past two months with Morocco, Tunisia, Israel and now Turkey. It is a great improvement that will allow a near free access to the common market of commodities which are of a vital importance for these countries.

While my first point is centered on the establishment of peace, the second is concerned with development. As to the third commitment, it emphasizes the enhancement of cultural exchanges because we think that Europe should re-establish media, educational and professional ties with the southern and eastern areas of the Mediterranean. The European Union should help the

The enhancement of cultural exchanges



Problems we are facing

«The European Union should help the Mediterranean countries of the south and east to move confidently into the 21st century. Many of these states lack a large educated and professional middle class, which is the backbone of a civil society.»

Mediterranean countries of the south and east to move confidently into the 21st century. Many of these states lack a large educated and professional middle-class, which is the backbone of a civil society. Hence, the European Union is ready to supply serious support for building educational and technical structures. This new political agenda should become an essential part of the common European foreign policy.

In fact we have three problems before us:

- How to organize the European Union.
- How to address the problems of Eastern Europe.
- How to develop our relationship.

I would have liked to discuss other problems in the Middle East, such as the sanctions on Iraq, but I have to conclude and leave room for the questions session. However, I would like to say a few words on France's particular position. France has often been, in the past, the power engine behind the European goal for a better understanding among the Mediterranean states. France has never lacked the will to play an active role in the Middle East. I remember the year 1976 when we were the first to suggest that we could offer a contribution to the peace and security of Lebanon. France, as a neighbor, overestimated, on the other hand, its ability to shape decisively the Middle Eastern future. But we always expressed that we support the political autonomy of this region. France has consistently pressed for more international financial aid and pledged large amounts of bilateral aid to help rebuild health and educational institutions. I would like to see France, Italy and Spain promote an idiosyncratic policy towards our southern borders. As Germany is a natural partner of central and eastern European countries, France must be a magnet for the states bordering the Mediterranean Sea.

France must, more than ever, extend a brotherly hand toward the Middle East. The European Union is now facing two great challenges: its institutional integration, which is very difficult to realize, to avoid a fragmented and weakened European continent, and the organization of our close relations with our neighbors to the east, to the south and to the southeast. France is positioned in such a way that it will be able to advise successfully in the face of these challenges. I do wish it will do it.

I thank you for your attention.