

MAJALAT: The Brussels Civil Society Forum 7 - 9 July 2021, Online Concept Note *Economic Development and Social Dialogue*

1. Regional Context

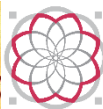
On 9 February 2021, the European Commission and the High Representative adopted a joint communication entitled [new Agenda for the Mediterranean](#). The Renewed partnership communication marks the 25th anniversary of the Barcelona Declaration and the commitment of partners on both shores of the Mediterranean to create an area of dialogue, exchange and cooperation, that guarantees peace, stability and prosperity. It recognizes the interdependence of people and the need to work in a spirit of partnership to turn common challenges into opportunities, in mutual interest. Five policy areas, including strengthening resilience and building prosperity, are prioritized in the communication. The socio-economic challenges of the Southern partners are also recognized in the communication and, in response, the EU proposes the “Economic and Investment Plan for the Southern Neighbours” for achieving long-term recovery, resilient, sustainable and connected economies in the region.

Calls to address structural and systemic challenges have long been made by people in the region. Popular uprisings indicated the need to review socio-economic policies and address multidimensional inequalities, discriminations against women and vulnerable groups, and lack of access to basic needs. Furthermore, the COVID-19 pandemic increased economic, social, environmental, and health inequalities and showed governments’ inability to respond to challenges. The development model of the region based on economic growth and foreign investment without social justice is one of the structural challenges that hampered the process in the region. Countries in the region depend on nonproductive economies, which lack mechanisms for redistribution of wealth and social protection. Furthermore, they also depend heavily on external financing and indebtedness. These decades-long economic policy choices were promoted by the international financial institutions and indeed have proven their inability to achieve fair and sustainable development.

In this context economic policies implemented in the partner countries, on trade, investment and privatization policies should be revised taking into consideration national sustainable development needs, with a rights-based approach. Southern partner countries’ production



This project is co-funded by the European union and



annd
Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتكاتف



capacities should be enhanced and initiatives that help them move away from rentier economies to diversified, productive national economies should be supported. The European Union's trade and investment policies are vital in this respect, the EU being a key trading partner for almost all countries in the region.

The 4th Annual Report on the Implementation of the European Union's Trade Agreements¹ released in late November 2020 showed that while partners from the Mediterranean and the Middle Eastern region represent only 4% of EU external trade, the region has a very important market for EU exports, with opportunities especially for the SMEs from the region in some traditional sectors, such as textiles and ceramics. But the region remains a key importer of goods, including in the energy and agri-food sectors, and there has been long standing criticism, including by civil society remains towards EU trade policies in the region, especially in the context of the sustainable development framework.

In this regard, current mechanisms provided by the EU in assessing trade agreements' impacts are considered limited, including the latest ex-post evaluation of the impact of trade chapters of the Euro-Mediterranean Association Agreements with six partners: Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia². Ex-ante and ex-post assessments are crucial, but the evaluation was based on problematic CGE modelling, adopting a growth-led liberal development approach, which makes the positive conclusions reached problematic. With only 44% of the population being employed and poverty rates reaching 41%; the situation on the ground presents a bleak picture, and the development gains from these agreements seem limited.

Therefore, civil society's concerns about Deep and Comprehensive Free Trade Agreements should be heard, especially with regard to these agreements' added-value towards promoting development-focused trade towards these countries. The integration of human rights' considerations in the formulation, negotiation, and implementation of these policies should be ensured as well. This requires trade negotiations to be transparent, participatory and democratic processes that involve all groups in societies in a timely and meaningful manner. There are EU mechanisms in place for engaging civil society; including civil society dialogues, workshops and meetings organized by EU Delegations. These mechanisms have limitations, and a structured dialogue involving the European Union, the partner countries, CSOs and trade unions is needed.

2. Majalat Economic Development and Social Dialogue activities and recommendations

Within the Economic Development and Social Dialogue (ECOSOC) framework, Majalat organized series of online events, consisting of capacity building and debates, to enhance civil

¹ <https://ec.europa.eu/transparency/regdoc/rep/1/2020/EN/COM-2020-705-F1-EN-MAIN-PART-1.PDF>

² <https://www.fta-evaluation.com/eu-mediterranean/wp-content/uploads/2020/04/2020-04-07-Interim-report.pdf>



society’s knowledge on EU policies and mechanisms, discuss key concerns, and develop recommendations. These activities contributed to capacity building and awareness raising among civil society groups in the region. Their outcome will be echoed at national level through organization of National Roundtable Sessions with EU officials.

Discussions during these activities focused on key issues of concern, including the COVID-19 impact, shrinking civic space, the EU trade and investment policies impacts within the sustainable development framework. Civil society representatives noted that the COVID-19 clearly revealed that with lack of universal social protection, lack of fair and equal distribution policies together with misuse of resources and reduced social spending, high informal labor and poverty rate and violations with regard to accessibility and affordability of fundamental rights including education and health the impacts would be harsher in the neighborhood region. Therefore, the negative impacts of the COVID-19 will create an enormous challenge on one of the key priorities of the EU policy to the region, namely economic development for stabilization and shared prosperity.

Furthermore, these activities highlighted several recommendations calling on the EU and partner countries to turn the post-COVID-19 recovery into an opportunity to promote just transition to sustainable economies in the Southern Neighborhood. With regard to its policy to build resilience and provide COVID-19 recovery support, the European Union was called to ensure long term and sustainable investments towards strengthening health systems for recovery and the right to health for all without any discrimination and promote universal social protection by assisting partner countries in adopting schemes adapted to their resources.

In the absence of a meaningful role for civil society in trade and investment policies, the European Union was invited to establish a structured, formal civil society dialogue on trade that opens up a space for Southern civil society to raise concerns and priorities. This was considered crucial given that DG Trade Civil Society Dialogues is open only to European civil society. With respect to the new Communication for the region, and possible revision of the ENP Action Plans, demands to reflect the European Union’s Green Deal were in national level programming were made. In this regard, there was an emphasis on monitoring the contribution to economic development beyond growth and GDP level, to evaluate the significance and impact of this contribution to climate, energy, transport, agriculture, biodiversity, and industrial policies.

3. Regional Research on the EU trade and investment policy

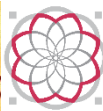
On this basis, and to reflect further civil society concerns on the potential impacts of the EU’s trade and investment policies in the new Agenda for the Mediterranean, the Arab NGO Network for Development commissioned, on behalf of Majalat, a regional research to explore EU trade and investment policies.



The research focused on the EU approach on economic development, trade and investment policies within the new Agenda. It examined if economic resilience, and green and digital transition concepts of the EU meet the economic and social transformation demanded by the populations of Southern partner countries.

In addition, the paper looks into lessons learnt from the Free Trade Agreements and negotiations of the Deep and Comprehensive Free Trade Agreements. It addresses the socio-economic needs of Southern partner countries in light of the COVID-19 pandemic and for a transformative change towards sustainable development through the EU partnership.

The National Dialogue meeting organized by ANND will provide a platform to present the main findings of the research and open up space for exchange between civil society and EU officials on economic development and social dialogue.



annd
Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتكسية

Ref solidar



This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of MAJALAT and do not necessarily reflect the views of the European Union.