

Analyses

Free Trade in the Mediterranean: between bilateralism, regionalism and globalisation

Iván Martín

Instituto Complutense de Estudios Internacionales, Madrid

The central instrument of the Euro-Mediterranean Partnership (EMP) established in 1995, as stated in the Barcelona Declaration, was "the progressive establishment of a free trade area" due to be completed in 2010. Among the specific measures for achieving this were "the adoption of suitable measures as regards rules of origin, certification, protection of intellectual and industrial property rights and competition", "the pursuit and development of policies based on the principles of market economy and the integration of their economies taking into account their respective needs and levels of development", "the promotion of mechanisms to foster technology transfer" and "the adjustment and modernisation of economic and social structures, giving priority to the promotion and development of the private sector, to the upgrading of the productive sector and to the establishment of an appropriate institutional and regulatory framework for a market economy". Thus 2010 is a good time for taking stock of the progress achieved in these endeavours and to analyze the outlook for the Euro-Mediterranean FTA 2010 (EMFTA).

Indeed, since 1995 the network of bilateral free trade areas for industrial products between the EU and its nine Mediterranean Partner Countries (MPCs) has been virtually completed. The signing of the corresponding Association Agreements (with all countries but Syria), and the dismantling of all tariffs on industrial products over a twelve-year transition period is progressing as scheduled (the industrial free trade area was extended to Tunisia in 2008, will be extended to Morocco and Israel in 2012, to Jordan by 2014, and so on).

As to the impact of the EMFTA so far, their implementation has been accompanied by an increase in trade flows between the EU and its Mediterranean Partner Countries (see Table 1), albeit at a slower rate than between the MPCs and the rest of the world (which implies that global integration of their economies has taken the lead over regional integration).

In fact, econometric impact models have not revealed that EMFTA has had any significant positive effects on the volume of trade flows (except in the cases of Tunisia and Egypt). Moreover, it is obvious that a significant part of the increase in MPC exports to the EU can be attributed to the rise in oil prices.

Moreover, the EMFTA has not resulted in any diversification of MPC exports to the EU, as they continue to be focused on textiles and clothing (30%) and fuel products (25%), with exports of upper-end industrial and agricultural products continuing to play a rather marginal role (less than 10% of exports in any case). Nor has it resulted in a significant increase in foreign direct investment in the MPCs (half of their FDI comes from the EU).

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General Secretariat

11 rue Newton
75116 Paris
France

+33(0)153239100

www.ciheam.org

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CIHEAM

Founded in 1962, CIHEAM is an intergovernmental organisation comprising thirteen member countries from the Mediterranean Basin.

CIHEAM is made up of a General Secretariat (Paris) and four Mediterranean Agronomic Institutes (Bari, Chania, Montpellier and Zaragoza).

In pursuing its three main complementary missions (post-graduate specialised education, networked research and facilitation of the regional debate), CIHEAM has established itself as an authority in its fields of activity: Mediterranean agriculture, food and rural development.

At present, Mr Abdelaziz Mougou is CIHEAM's President and Mr Francisco Mombiela Muruzabal is its Secretary General.

In contrast, over the past fifteen years the problem of the structural trade deficit of Mediterranean Partner Countries with the EU has grown worse (over €13 billion in 2008, not counting Turkey, and taking account of Algeria's structural surplus, which more than doubled in 2009 as a result of the crisis – see Table 1). The deficit is barely sustainable and requires a prompt economic policy response.

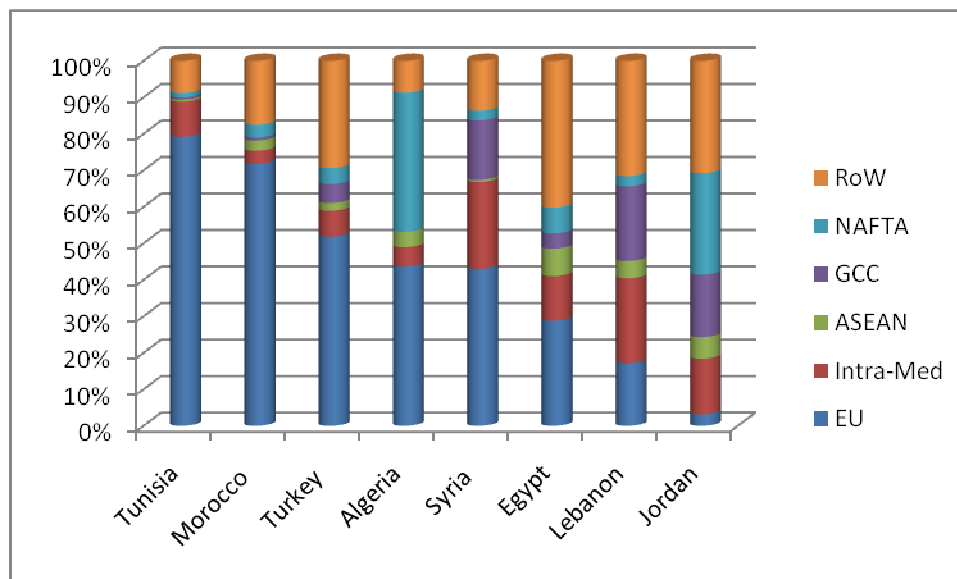
TABLE 1. Trade between Mediterranean Partner Countries (including Israel, excluding Turkey) and the EU

Year	Imports (M)	Annual Variation (%)	EU Share of M (%)	Exports (X)	Annual Variation (%)	EU Share of X (%)	Balance
2004	57,662	12.4	43.9	49,281	25.1	46.8	-8,391
2005	60,275	4.5	43.9	50,202	1.9	44.7	-10,072
2006	63,612	5.5	41.5	56,744	13	43.2	-6,868
2007	72,596	14.1	41.3	55,997	-1.3	41.0	-16,599
2008	80,875	11.4	40.3	67,580	16.6	42.0	-13,295
2009	75,657	-6.5	42.6	45,656	-32.4	39.0	-30,001

Source: European Commission, DG Trade

Indeed, in the short term the trade dependence of many of the regional partner countries on the EU negatively affects their prospects for growth or recovery. In this respect, the differences between Mediterranean sub-regions are considerable, as shown by the distribution of trade: Morocco and Tunisia's exports to the EU exceed 70% of their total exports (in marked contrast to the MPC average: 47% in 2007), whereas in other countries such as Lebanon and Jordan they account for less than 20% of total exports (see Figure 1).

FIGURE 1. Distribution of Mediterranean Partner Countries' Trade in 2007



Source: prepared by the author using data provided by De Wulf and Maliszewska 2009, p. 42

In this context, however, at least three significant elements are still needed to complete the 2010 Euro-Mediterranean Free Trade Area:

- Trade in agricultural products, processed agricultural products and fisheries products continues to be subject to product-by-product negotiation in accordance with the Rabat Road map adopted by the EU in 2005. New agricultural liberalisation agreements were signed with Jordan in 2005 and with Egypt and Israel in 2008. Moreover, in late 2009 an agreement was also reached with Morocco, which is still awaiting ratification. But in all cases significant restrictions remain in the form of quotas and restrictive export schedules for the most sensitive products. In other words, although the EU has expanded its concessions, in practice it maintains the same system of trade restrictions (cf. Jaidi and Martín, pp 46-58).

**IAM
Montpellier**

Montpellier is to host the future headquarters of the Consultative Group on International Agricultural Research (CGIAR).

Established in 1971, the CGIAR is an association of 64 public and private members, which supports the work of 15 international agricultural research centres. Its goal is to mobilise international agricultural science to fight food insecurity and reduce poverty.

The 15 centres employ more than 8,500 researchers and staff in more than 100 countries. The choice of Montpellier is confirmation of the international status of the city's campus.

MAI Montpellier, a member of Agropolis, which submitted the candidacy, has been given the charge of implementing the agreement on setting up the headquarters, because it is able to accommodate resident researchers on its site.

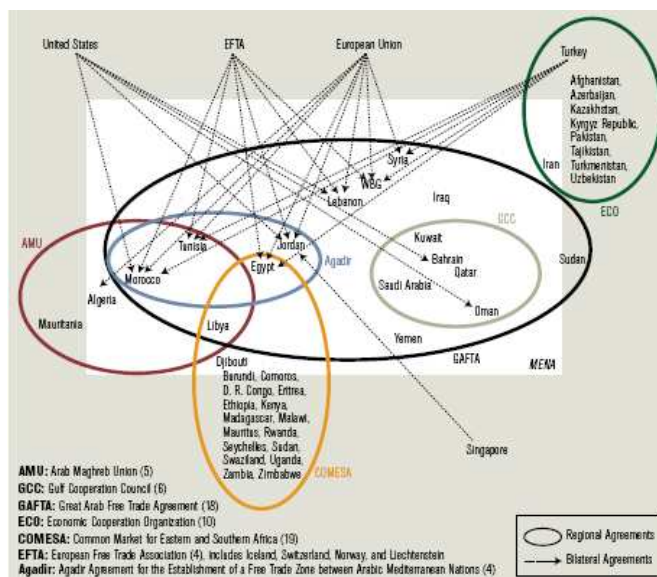
As of January 2012, MAI.M will therefore play host to the management team until such time as they can move into offices at the Montpellier International Business Incubator (MIBI).

www.iamm.fr

- As to liberalisation of the service sector and the right of establishment, although four bilateral agreements have been negotiated in the region since 2005 (Egypt, Israel, Tunisia and Morocco) in accordance with the non-binding Regional Framework Protocol adopted in Istanbul in 2004, there has been little concrete progress. The EU wishes to impose far-reaching liberalisation in the sectors in which it has a comparative advantage (banking, telecommunications, transport and the like), yet refuses to make any sort of concession in other sectors where the Mediterranean Partner Countries are likely to have the advantage, as in the case of "Mode 4", which involves temporary movement of workers (cf. Jaidi and Martín, p. 59-64).
- The network of South-South free trade agreements among the countries in the region is still a patchwork of disparate bilateral and multilateral initiatives without any overall coherence: the Arab Maghreb Union project established in 1989 (Morocco, Algeria, Tunisia, Libya and Mauritania), the Agadir Agreement (Morocco, Tunisia, Egypt and Jordan) which entered into force in 2007, the Greater Arab Free Trade Area (GAFTA) which entered into force in 1998 in the framework of the League of Arab States, plus the many bilateral FTAs between countries in the region (see Chart 2). To complicate matters still further, yet another FTA was announced in June 2010 between Turkey, Syria, Lebanon and Jordan. But despite this plethora of FTAs, Mediterranean Partner Countries continue to be those with the lowest level of trade integration in the world, with trade between its countries accounting for little more than 5.7% of the total, a figure that has not changed for decades. This proliferation and, above all, the overlap of agreements cause confusion and hamper rather than facilitate trade, aggravating the arbitrary application of trade rules. Trade between Morocco and Egypt, to use an extreme example, is simultaneously regulated by the GAFTA, Agadir Agreement, a bilateral FTA and the Pan-Euro-Mediterranean Protocol on Rules of Origin, as well as the standards of the World Trade Organization (WTO). In this regard, the situation has not improved significantly since 2005, and compatibility between the different agreements is still far from being assured (Martín 2004).

Consequently, as Figure 2 clearly shows, the Arab Mediterranean Countries have finally positioned themselves on the periphery of the world trade system, a playing field for global competition among economic regulation models. They enter the global economy as markets for the products of major economic powers (the EU and US, and also China, Brazil and other emerging economies), suppliers of cheap labour and raw materials and at best – as is already the case to a certain extent for Morocco or Jordan – as logistics and industrial platforms for access to major neighbouring markets (the EU and the Gulf States, respectively). Among Southern and Eastern Mediterranean countries, only Turkey has managed to emerge as a genuine regional trade power. The network of trade agreements it has established with nearly all countries in the region (namely, Tunisia, Morocco, Egypt, Palestinian Authority, Syria and Israel) and its Customs Union with the EU, together with its free trade area with EFTA countries and its FTAs with Macedonia, Croatia, Bosnia-Herzegovina and Georgia, as well as its special location in the Caucasus and even in Eastern Europe, are turning it increasingly into a Euromed/Euro-Asiatic trade hub.

FIGURE 2. Trade Agreements in the MENA Region



Source:
World Bank 2008, *MENA Economic Developments and Prospects*

New website

The constantly changing website is one of the main pillars of CIHEAM's communications operation.

For some years now the site has been attracting an increasing number of visitors from all countries in the Mediterranean Region. In addition to information on the Centre's activities, the site offers a wide range of articles and analyses on the current state of agriculture, food and the environment in the Mediterranean Basin.

In the second half of 2010, CIHEAM embarked upon a full-scale renovation of its website, just three years after the launch of the newly refurbished portal in 2007.

The site is bilingual as before (English and French) and has been operating as the official online home of the Centre since December 2010 at the same address:

www.ciheam.org

Deep and comprehensive FTAs: What Added Value?

In this framework and geopolitical context, the latest innovation in the "tool box" of the EU's free trade with its neighbours are the *Deep and Comprehensive Free Trade Areas*, a new generation of free trade agreements, going beyond the conventional ones and calling for "deep integration" rather than the mere elimination of tariff barriers. The aim is to liberalise not only industrial sectors, but also the agricultural and service sectors (an issue that has already been on the agenda but has not been the subject of any new offers by the EU), and also to complement the elimination of tariffs with harmonisation in the fields of competition policy, state contracts, intellectual property and technical and administrative rules affecting trade. In other words, the goal is to liberalise trade and at the same time align partner countries with the economic Community *acquis* (the body of EU economic legislation), integrating them in the EU Single Market and simultaneously eliminating significant non-tariff barriers. Key instruments employed to that end are the sector-by-sector "Agreements on Conformity Assessment and Acceptance" (ACAAs) of industrial products. The aim of these agreements between the EU and each partner country is to ensure recognition of the MPCs systems of standardisation and quality certification and thus eliminate the persistent technical barriers to access to the EU market. For the time being, however, the EU has only reached a single agreement of this type in the region, namely with Israel in the pharmaceutical sector. This new approach has become an integral part of the "Euro-Mediterranean Trade Roadmap beyond 2010".

It remains to be seen how far partner countries are willing to accept full normative convergence with the EU if it is not accompanied by complete liberalisation in all sectors (including agriculture and services, and the free movement of people for instance). A cost-benefit analysis of this process may give rise to strategies of partial convergence, limited to specific sectors (cf. Jaidi and Martín 2010, p. 63-65), or even to a move towards a model of economic nationalism, as seems to be the case with Algeria and to a lesser extent Syria. In any case, it is clear that the Deep and Comprehensive Free Trade Areas in and of themselves will not act as instruments of integration, but only of liberalisation and at most, as catalysts for certain reforms. It is also clear that, the Euro-Mediterranean FTAs have so far had very little effect on the structure of trade preferences enjoyed by the MPCs for access to the EU market, given that the liberalisation of access for industrial products from MPCs to the European market dates back to the late 1970s.

For the time being the Maghreb countries at least do not seem to have any real alternative to deepening economic relations with the EU. However, estimates of potential trade flows (based on gravity econometric models) indicate that, at the current level of trade preferences on European markets, the MPCs' volume of exports to the EU has already practically reached its full potential (and that the greatest potential for growth is in Mashreq countries such as Egypt or Jordan). Only if the level of integration and the instruments applied were the same for the Euro-Mediterranean zone as for the EU itself could one expect significant growth in such exports (which might then increase threefold or fourfold – cf. De Wulf and Maliszewska 2009). But such instruments of integration cannot be limited to normative convergence. Indeed, it is becoming increasingly clear that the MPCs cannot and do not wish merely to assimilate the EU's regulatory framework, but that they also aspire to gain access to the levers of real convergence (i.e., convergence of income levels) within the Single Market: regional and cohesion policy or even partial or gradual participation in the Common Agricultural Policy, with the corresponding budgetary resources.

In this context, the other relevant question concerns the added value of regional Mediterranean integration (multilateral integration) versus bilateral country-by-country direct integration with the EU, as promoted by the European Neighbourhood Policy (based, among other things, on the principle of differentiation). On the other hand, the greater integration of the Mediterranean Region into the global economy also calls into question the added value, and even the very existence of the Mediterranean as a differentiated economic area in the globalisation process. In other words, the old dilemma between regionalism and globalization crops up again, in this instance with regard to the Mediterranean Region.

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Iván Martín

Paralysis of international agricultural negotiations Risks and challenges facing Mediterranean countries

Michel Petit

Professor, Associate lecturer at CIHEAM-MAI.M

MAI Chania

The use of saline water for greenhouse irrigation subjects vegetable crops to an abiotic stress and is therefore a major problem to growers, compromising production and lowering incomes.

The SYNERGASIA programme, coordinated by MAI Chania and due to run from 2010 to 2012, seeks to use biomolecules as biosensors to predict abiotic stress progress and to use CO₂ to strengthen plants' response to it.

Genomics and metabolomics approaches will be used to identify molecules or cellular processes as early predictors of salinity stress progress.

The programme, with a total budget of 700,000 euros, is financed by ESPA Action at National Level Cooperation.

www.maich.gr

Over the past few years, liberalisation of foreign and domestic trade and markets, structural adjustment, restoration of macroeconomic balances and upgrading have been central to the main debates on economic policy in numerous countries, including those of the Mediterranean region. The concern with these issues reflects both the wide internal consensus on the need to reform public policy and the external pressures that force countries to liberalise trade. The current paralysis of the World Trade Organisation's "Doha Round" of multilateral trade negotiations probably points to a significant decrease in this external pressure, which may be greeted with a sense of relief by citizens and policy makers in countries that have been subjected to it.

But is this reduction in external pressure really a good thing for the Mediterranean countries? In many respects the paralysis is indeed symptomatic of a withering away of the world governance which provides the regulations these countries really need. Moreover, the deadlock in trade negotiations between states does not mean that the globalisation process is at an end. The pressure to be competitive internationally and therefore to adapt domestic economies and public policies accordingly has not gone away. It often takes new forms, which are more discreet but no less onerous for those who lack the means or knowledge required to respond to it. In the first part of this paper we shall first examine the decline of the world-wide consensus in favour of trade liberalisation, which is viewed as a collective discipline nation states impose upon themselves in order to encourage world economic growth, and then address the reduction in external pressure exerted upon the Mediterranean countries, particularly their agriculture, which accompanies this decline. In the second part, we shall consider changes in the forms taken by world regulations following the loss in momentum and more generally the limitations of governmental processes. We shall conclude by highlighting the risks these developments entail for all Mediterranean countries.

Reduction in external pressure to liberalise trade

The deadlock in trade negotiations follows the failure of the WTO ministerial meeting in Geneva in July 2008, for which agriculture bears key responsibility, in that the United States and India were unable to agree on the implementing conditions of a special safeguard clause, which was to apply in the event of a sudden increase in the import of agricultural products. There were admittedly many other reasons for the breakdown of the talks but the fact remains that agriculture has played a central role in blocking WTO negotiations, given that emerging and poor countries do not accept the massive government support enjoyed by agriculture in the rich countries and see it as a major cause of distorted competition in the international markets. But the historical causes (notably economic and social) of agricultural policy in rich countries are such that it would be difficult to imagine a political process that would lead to a drastic decrease in governmental support.

Leaving aside the question of agriculture, the failure of the Geneva ministerial conference in July 2008 illustrates the erosion of the consensus in favour of trade liberalisation. This consensus was forged at the end of the Second World War to avoid any repetition of the economic policy errors made in response to the great crisis of the nineteen-thirties, notably the rush to protectionism, which had helped maintain the crisis and facilitated the coming to power of the Nazis in Germany. For some fifty years, until the Marrakech agreements of 1994, the liberal consensus had been strong enough to overcome the obstacles inherent in any liberalisation process. But it has failed – so far at any rate – to produce agreement in the Doha round. And most observers are now sceptical as to the possibility of reaching agreement within the foreseeable future, especially at a time when the American Government is no longer in a position to give a lead, as it has in the past.

But, as we know, few of the issues raised in the Doha round have been directly relevant to the Mediterranean Region. For the countries to the south and east of the Mediterranean (SEM), Europe is very much the predominant trading partner, though less so than before. So has the pressure to liberalise within this regional or bilateral context subsided?

ADEPTA seminar on Turkey

On Friday 26 November 2010, CIHEAM took part in a seminar devoted to Turkey and its potential in the field of agri-food. The meeting was jointly organised in Paris by ADEPTA (Association for the Development of International Trade in agricultural products and technologies) and the French Ministry of Agriculture.

It began with statements by CIHEAM addressing Turkey's geopolitical and agricultural situation together with its development dynamics.

There is no simple or direct answer to this question. Admittedly, the European Commission, acting upon a mandate given to it some years ago now by the Council (ie the representatives of the member states), continues to negotiate so-called "free-trade" agreements with each of the SEM countries. To that end it follows a "road map" involving full liberalisation of trade in all but a limited number of sensitive products, and more particularly in agriculture. But if we look at these bilateral negotiations, we find that they are extremely arduous and protracted, particularly where agriculture is concerned. Moreover, it seems particularly difficult to avoid the feeling that the political impetus driving the negotiations is rather lukewarm. The ups and downs of the "Union for the Mediterranean" project and the difficulties experienced in the attempt to include agriculture in it show that liberalisation of agricultural trade is not central to the Euro-Mediterranean process and reflect policy difficulties in this area, which are both long-standing and well-known.

Towards new forms of worldwide regulation

Since the end of the Second World War, the international community has set up institutions whose job is to coordinate action by national governments in numerous fields. Since the fall of the Berlin Wall, international organisations have greatly increased their membership and any serious attempt at intergovernmental coordination at global level is now made within them. But at the same time it must be acknowledged that these intergovernmental mechanisms are running out of steam and, more importantly, are failing to provide the degree of global governance required to satisfy the needs created by the many forms of interdependence arising from globalisation.

Because of these limitations on intergovernmental processes, new forms of global regulation have recently emerged, including commitments by private companies, such as Danone, Nestlé and Unilever in the agricultural and agrifood sphere, to comply with standards of social and environmental good practice. In most cases these standards have been drawn up for all players in the same industry following negotiations with reputable non-governmental organisations, and compliance with them is guaranteed by independent certification bodies. To take just a few of the many examples, we might cite the Roundtable on Sustainable Palm Oil, the group of players involved in the Fair Trade movement (launched by civil society organisations) and the Sustainable Agriculture Initiative (launched by food product companies). Despite the diversity of their origins and backgrounds, these initiatives have several points in common: they involve coalitions of very diverse players, and they draw up standards and guarantee their implementation in order to give credibility to these private players' commitments in the eyes of citizens and consumers.

All things considered, they do indeed offer new forms of worldwide regulation, for in all cases social pressure exerted by civil society in defence of the general interest exerts a moderating influence on the actions of the most important private sector players. These developments raise many political and ethical questions pertaining to the emergence of new powers and may also arouse concern as to the scope of the new regulations. For example, fair trade represents only a tiny fraction of all international trade and may moreover have unfavourable repercussions for producers who are excluded from the circuit. But for our present purposes, what matters is the emergence of new standards that are being adopted by the main agrifood and retail companies. These standards are subsequently imposed on their suppliers and become *de facto* so many additional rules to be observed by those who wish to export. These developments therefore tend to reinforce private standards, which, as is well known in the Mediterranean Region, constitute new non-tariff barriers to international trade.

Implications for Mediterranean countries

The limitations of the intergovernmental world governance processes, of which the paralysis of the WTO multilateral trade negotiations is a spectacular example, are not an indication that the globalisation process is at an end. International trade will continue to develop, particularly with the rapid economic growth of emerging countries. The competitiveness imperative and the need to upgrade are therefore still relevant, even if the very word "upgrade" should perhaps be dispensed with. For "upgrading", which is used mainly in the South, conveys the idea that it is possible to catch up with the developed countries or the most productive enterprises by making a simple, one-off effort, although we all know that change is the rule and that benchmark levels are rising all the time.

MAI Zaragoza

The project DEWFORA (Improved Drought Early Warning and FORecasting to strengthen preparedness and adaptation to droughts in Africa) will begin in January 2011.

This project, part of the EC's 7th Framework Programme, will last three years. It is coordinated by the Stichting-Deltares research institute in the Netherlands. The partnership comprises 18 research and development institutions from 13 European and African countries.

The object is to develop a framework providing for early warning and response to drought in order to mitigate its effects in Africa.

MAI.Z will be helping to set up an information-sharing platform and organising an in-depth course and seminar on the findings of the project.

www.iamz.ciheam.org

Given these dynamics, it is necessary to think in terms of redistributing powers worldwide. Intergovernmental processes are becoming ineffective as a result of the increasing number of stakeholders and the growing complexity both of the issues to be addressed and the interactions that are characteristic of them. This opens the way to newcomers or players that now have greater power than before, particularly the large international agrifood companies and major non-governmental organisations with an international audience.

The resulting pressures on the Mediterranean countries are therefore as strong as ever, even if they are not applied in the same way. This is particularly true in agriculture, in the broadest sense of the word, for in this area the challenges facing the SEM countries are particularly severe. There are also many constraints on increasing supply to meet the growing demand resulting from the population rise and – we should be pleased to note – economic growth. The main natural resources (soil and water) are rare and under threat. Investment in all aspects of agriculture (land improvement, mechanisation, infrastructure, research, education, education) has all too often been neglected. Lastly, many of the country dwellers who virtually live off agriculture are very poor, which makes modernisation of agriculture difficult. Meeting these challenges is still a matter of vital necessity, even if external pressure to liberalise trade is falling off.

Michel Petit

Social and environmental risks for Tunisia from the liberalisation of trade in agricultural products

Mohamed Elloumi
Researcher, INRAT

The process of international trade liberalisation has so far only had a marginal impact on Tunisian agricultural products, as far as the domestic market is concerned at least. Agriculture has nonetheless felt the effects of economic adjustment and liberalisation policy at national level: production subsidies have been reduced and the prices of most producer products have been liberalised, while at the same time investment in the agricultural sector has fallen.

As a result the agricultural sector has found itself facing the onset of a crisis, reflected in poor performance in certain product areas and the impoverishment of the agricultural population, and compounded by the threat to the sustainability of natural resources. The deepening of the process of opening up and liberalising trade in agricultural products is likely to aggravate the situation, notably from the social and ecological standpoint, even though the crisis in agricultural production internationally has demonstrated the importance of agriculture in maintaining countries' food sovereignty.

Agricultural policy and strengthening of family farming

Tunisia's agriculture and rural environment underwent radical change after independence in 1956. Generally speaking (though with some slight exceptions) agricultural policy encouraged medium-scale farming, protected the domestic market and promoted the export of a smaller number of products. The basic objective of the policy was to develop fruit growing (olives, almonds, dates, table raisins, etc.) and irrigation, while relegating sheep rearing and grazing to the most fragile lands. It was supported by a fairly vigorous rural development policy.

At the end of this period, advances in production structures led to the development of a form of family agriculture in which most of the work was performed by family members, farmers frequently invested their own funds, land was directly owned and certain operations (such as those involving machinery, harvesting and fruit tree pruning) were outsourced. Farmers were thus able to adapt to the constraints arising from pluriactivity, which was also characteristic of this type of agriculture (42% of farmers were pluriactive in 2005, according to information provided by the Ministry of Agriculture).

The development of this form of family agriculture, devoted to satisfying local demand (which was expanding considerably as a result of urbanisation and the increased buying power of city dwellers), was accompanied by an improvement in the living conditions of the rural population, as shown by most of the indicators. Although conditions remained below those of the urban environment, there was clearly a fall in poverty and unemployment and an improvement in well-being.

Nomisma

On 12 November 2010, CIHEAM attended the international conference on "Agriculture & Sustainability: people, environment, economy and the challenge to feed the planet", organised by the Nomisma economic research institute, Basf and the Food Trend Foundation.

The conference brought together policy makers and scientists from Europe and the Mediterranean Region to discuss the crucial role to be played by responsible agricultural policy in ensuring that nine billion people can be fed in 2050, while at the same time regulating the exploitation of natural resources and maintaining the fragile balance of ecosystems.

The role of scientific research and innovation was emphasised, as was the need for worldwide coordination. A declaration on sustainable development in agriculture was adopted at the end of the conference.

www.nomisma.it

Adjustment, liberalisation and crisis in the rural world

However, from the nineteen-eighties onwards, under the impact of the liberalisation policy initiated in the agricultural sector with the introduction of the structural adjustment programme and subsequently maintained as an integral part of the free-trade agenda, the agricultural sector and rural world have been faced with an increasingly severe crisis. Indeed the tendential decrease in real-terms producer prices and the fall in the purchasing power of farmers' incomes in relation to the price of inputs and the cost of living in general have led to a reversal of the situation and a deterioration in the living standards of country dwellers.

So in 2005 (the date of the first survey on households' standards of living and consumption), the poverty rate in the rural world actually showed an increase, even though poverty in the country as a whole was still falling. The first to suffer from the deteriorating situation were farmers and agricultural workers, chiefly in the predominantly agricultural regions in the North-West and Centre-West of the country. The pluriactive small farmers who make up the bulk of this category have therefore been penalised twice over. First of all, they are poorer because the buying power of the guaranteed minimum agricultural wage, despite frequent nominal increases, has fallen in comparison with the average wage in Tunisia. In addition, their situation has been aggravated by the persistence of high unemployment in these regions.

The crisis has also been reflected in the way small farmers hold on to their plot of land, as opportunities for work outside agriculture become fewer. We have therefore since seen a halt to the development of larger farm structures coupled with an increase in the number of farms (from 471,000 to 516,000 between 1994/95 and 2004/05), a fall in the average farm size together with a sharp rise in the number of micro-farms (farms with less than five hectares account for 51%), an increase in the average age of farmers and increasing recourse to pluriactivity. These indicators testify to a serious crisis in agriculture, reflected in an increased dependence on the international market for the supply of basic foodstuffs (cereals, vegetable oils, sea products, etc.) and feedstuffs (soya, maize and barley meal). At the same time they reveal an erosion of comparative advantages in certain products and a decline in export capabilities, despite the opportunities offered by the international market and the trade agreement with the EU. The crisis has been aggravated by a fall in public investment in the agricultural sector, whose share in overall investment has been particularly low considering its importance for the economy (8% in 2009, according to the economic budget of the Ministry of Agriculture).

This crisis in rural society has been compounded by an unprecedented ecological crisis, with natural resources deteriorating to a level close to their resilience threshold. This deterioration, which is due to a frenetic rush to mobilise resources in order to reverse the fall in the productive capacities of farms, is particularly apparent in the degradation of water, soil and plant cover. The problem persists despite the various projects launched by the authorities in an attempt to alleviate it. Water, in particular, is one of the rarest factors of production in the country, limited in terms both of quantity and quality and often exhibiting a very high salinity level. Furthermore, some renewable resources are exploited beyond their capacity for renewal. Groundwater drawdown, for example, has been observed in a great many aquifers. Fossil aquifers, for their part, are virtually non-renewable and exploitation of them by several countries at once is destroying artesian systems, increasing pumping costs, and causing water quality to deteriorate. Moreover, the situation is likely to worsen as a result of the reduced rainfall and rising temperatures caused by climate change.

The risks of rapid liberalisation

The boom in the price of agricultural raw materials in 2007/08 hastened the crisis and called into question the entire model that had served as the basis for the development of the agricultural sector. During the crisis, Tunisia had difficulty not only in obtaining goods on the international market but also in regulating the supply of goods to the population and managing the price increase. The public authorities did succeed in maintaining consumer purchasing power but failed to prevent negative repercussions for certain categories of producer, notably stock breeders.

This is the context in which Tunisia is preparing to negotiate an advanced status agreement with the European Union, which will provide among other things for liberalisation of agricultural trade. Without prejudging the outcome of the negotiations, we feel that it is important to highlight some of the risks attendant upon too rapid a liberalisation of this trade.

MAI Bari

From 18 to 29 October 2010, MAI Bari and the Italian Committee on relations with the FAO organised a short training seminar on promoting typical, traditional products in order to develop marginal regions in the Mediterranean countries.

The main aim of the seminar was to propagate knowledge of the instruments to be used and methodological approaches to be adopted in designating products as typical.

The object of the initiative was to help populations in disadvantaged regions by enabling them to promote certain products/resources and, by establishing sustainable markets, raise their standard of living and support the territorial development process.

Ten Mediterranean countries have been chosen by a scientific committee on the basis of criteria used to assess their potential as suppliers of typical products and their promotion policies.

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First there is the risk of increasing dependence on the world market to satisfy basic food needs. Indeed, given that Tunisian agriculture is competitive as far as the less important items in the food ration are concerned, greater integration of the Tunisian economy in the world market is likely to make farms more inclined to produce exportable goods at the expense of basic products. Indeed the crisis of 2007/08 brought home to the authorities that a smaller area of irrigated land was being assigned to cereal crops, which could therefore not be used to help regulate supply of the local market.

Second, there is the risk of destabilising family agriculture, which has been weakened by the policy of liberalisation pursued since 1995. Indeed the achievements of Tunisian agriculture can be put down to family agriculture, which has been able to develop precisely because it has had a captive domestic market in which demand has been rising sharply as purchasing power has increased. If the country opens up its markets to imported products by lowering levels of protection, there is a risk of competition in the domestic markets between home-produced products and more competitive ones from countries where production conditions are better and government support policies distort competition. This process of differentiation-exclusion is made even more harmful by the lack of job opportunities outside the agricultural sector and the importance of agricultural products in country-dwellers' food ration. Indeed with the unemployment rate still high, the retraining of all the manpower excluded from the agricultural sector continues to present a problem, as indicated by the rapid rise in the number of micro-farms.

This crisis in family agriculture may be compounded by a territorial crisis. For the liberalisation of trade and the increasing degree of integration in the world economy are causing greater competition between areas. Territorial competitiveness calls for governance by local players and coordination of local activity as well as genuine decentralisation of rural management in accordance with the principle of subsidiarity. Research into territorial development in the Mediterranean countries has revealed a low level of local player empowerment and a risk that these territories might become more marginalised if they are made to compete with other territories that have more resources and whose mode of governance is more effective.

Third, there is the risk of increasing pressure on natural resources. The vulnerability of these resources, the trend towards high-output production systems, the production techniques employed and the farmers' level of expertise accentuate the risks of degradation and add to the pressure caused by the opening up of the economy. First of all, the farms that are integrated into the international market will extend production to natural-resource-intensive products, driven by the lure of the export market. Moreover, by aggravating the crisis in the rural world, the liberalised economy may increase pressure on natural resources by making the more vulnerable populations seek new ways of surviving.

Conclusion

It would seem that, while Tunisia can boast some achievements in agriculture and still has the potential for more, greater liberalisation of trade in food and agriculture carries a risk of further aggravating the crisis experienced by rural society, especially as the effects of climate change will weigh heavily on the most vulnerable rural communities and agricultural activities.

However, the possibility of maintaining a high level of protection for agriculture is also limited, given the low levels of productivity, the waste of resources and the corresponding economic cost. All this militates in favour of taking a reasoned approach to opening up the market and striking the right balance between recourse to the world market and reliance on domestic production. In this way it will be possible to give a boost to the productivity of the factors of production on family farms while fostering sustainable development of natural resources and continuing to improve rural living conditions.

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Mohamed Elloumi

Casa Mediterráneo

Continuing the work of promoting its *Mediterra 2012 Atlas*, CIHEAM had the pleasure of presenting the Spanish version, entitled *Terramed*, in Valencia on 2 December 2010.

This edition was published with the aid of the Ministry of the Environment and Rural and Marine Affairs (MARM).

The presentation was made at the Polytechnic University of Valencia as part of CIHEAM's collaboration with Casa Mediterraneo.

Casa Mediterraneo is a public consortium which is supported by the Spanish Ministry of Foreign Affairs and Cooperation and the Spanish Agency for International Cooperation and Development (AECID) in collaboration with the Generalitat Valencienne and the municipalities of Alicante, Benidorm and Xàbia.

Turkey's Agrifood Trade

Erol H. Cakmak

Department of Economics
Middle East Technical University, Ankara

Turkey started the new millennium with a new macroeconomic stabilisation and structural adjustment program. Agricultural policies were selected to undergo heavy adjustments. The principal aim of the agricultural reform program that started in 2000 was to reduce significantly the fiscal burden of domestic agricultural subsidies. The program targeted also to make the agricultural subsidisation more market friendly to increase the productivity and efficiency in the sector. The reform was successful in contributing to fiscal stabilisation by making the support budget transparent and establishing accountability. The agrifood trade policies have remained intact.

This note represents an overview of the agrifood trade performance of Turkey in the last decade. It includes two additional dimensions on the major agrifood trading partners and the characteristics of traded the agrifood products.

Agrifood trade policy

Turkey accomplished significant trade liberalisation in industrial products starting from mid-1980s. The liberalisation in agrifood sector has been proceeding at a slow pace in accordance with the tariff reduction commitments in the WTO Agreement on Agriculture (AoA). Primary commodities extensively used as intermediate inputs in export oriented manufacturing industries diverge from this general picture. Cotton, raw hides and skins are duty free. Tariff commitments of Turkey in AoA reveal that the average bound rate over all products is 65 percent, whereas the average of applied rate in 2010 reaches 50 percent, leaving a tariff overhang of only 23 percent.

Turkey has high levels of protection (tariffs higher than 100 percent) in meat, dairy products, sugar and basic cereals. These commodities are considered vital for the survival of the small farmers. Furthermore, food security, which is usually translated to self-sufficiency in all commodities in the minds of the policy makers, arises as a contributing factor to maintain rather high levels of protection in agrifood products.

Export subsidies are offered for a limited number of agrifood products. Tight budgetary conditions and compliance with the AoA commitments allow extremely restricted levels of export subsidies. Exports of processed products are mainly helped by the "inward processing customs regime (IPR)" to allow domestic manufacturing companies to acquire their inputs at the world prices. IPR is applicable to commodities and intermediate inputs that are temporarily imported and subsequently re-exported in the form of processed products.

Trade in agrifood products

Overall trade performance of the agrifood sector has been encouraging during the last decade. Historically, Turkey has been a net exporter in agrifood products (Table 1). However, the net exporter position of Turkey should be evaluated with caution because of the heavy tariff and non-tariff protection on some major agricultural products. For instance, imports of meat, dairy products and cereals are rare due to prohibitive tariffs and non-tariff barriers on imports. The average consumer spends more than 30 percent of her income on food. The government allows importation of basic foods in the case of world or domestic price hikes. The wedge between domestic and world prices was decreased by granting duty free imports, mostly to state procurement agencies. The general tendency of agrifood import policy has been to allow imports in intermediate inputs of export oriented manufacturing and strict control of imports in all other products. High protection coupled with high performing export oriented agricultural production has been the major factor in sustaining net exports in agrifood trade.

TABLE 1
Turkey's agrifood trade, 1999-2009

	1999-01	2003-05	2007-09
Agrifood trade (billions of USD)			
Exports	4,019	6,246	10,116
Imports	2,742	4,482	8,263
Net exports	1,277	1,764	1,854
Share in Total Export and Import (%)			
Agrifood exports	14.1	10.2	8.9
Agrifood imports	6.0	4.7	4.8

Source: TurkStat, 2010

Note: includes all products covered by WTO-Agreement on Agriculture (period averages)

The shares of agrifood exports and imports in total have been declining slightly during the considered period due to the faster expansion of trade in non-agrifood exports. The average annual growth rate of agric-food imports (10.5 percent) was higher the corresponding rate in agric-food exports (9.2 percent) during the last decade.

Turkey's agrifood trading partners

The EU remains the major trading partner in agrifood products. Net exports with the EU remained positive in the last decade. EU's share in the exports is declining whereas the share of the Near and Middle East Region is expanding rapidly (Table 2). Exports to Iraq have increased so fast that Iraq became the second export destination following Germany in 2009).

TABLE 2
Share of trading partners in Turkey's agrifood trade, 1999-2009 (%)

Regions and countries	Exports			Imports		
	1999-01	2003-05	2007-09	1999-01	2003-05	2007-09
EU - 27	48.1	50.7	40.4	30.4	32.0	26.2
Middle and Near East*	15.4	15.8	22.8	5.4	3.7	1.5
North Africa	4.5	3.2	3.8	1.9	1.5	1.2
Turkic Republics	2.6	1.8	2.1	4.3	3.1	4.9
Russia	3.7	5.4	7.9	2.3	2.6	8.0
Ukraine	1.4	1.4	2.0	2.3	3.4	6.9
USA	6.5	5.3	4.2	27.6	24.1	19.7
South America	0.9	0.6	0.6	6.8	10.0	10.4
Rest of the World	17.0	15.7	16.2	19.0	19.7	21.0

Source: TurkStat, 2010

Notes: includes all products covered by WTO-Agreement on Agriculture (period averages).

* Data for Iraq start in 2003

Agrifood trade with North African countries has been stagnant at low levels on the import side. Exports to North Africa increased by 2.5 times, reaching USD 400 million in 2009. Imports from the Turkic Republics have been increasing faster than exports. The importance of Russia in the north has been increasing as an export destination. Grain imports from Russia and Ukraine display an increasing trend with some fluctuations depending on the harvest conditions in Turkey. USA's share in imports is declining due to increasing competition from Turkic Republics, Russia and Ukraine in cereals. Exports to South American Countries remain negligible. However, they are becoming the major source of imports in oilseeds and oilseed products.

MAI

Montpellier

MAI Montpellier has been selected by the French Ministry of Food, Agriculture and Fisheries to lead a study on the loss of momentum in the European programme to provide fruit and vegetables in schools (known as "un fruit pour la récré" in France).

The aim of the programme was to distribute fruit to children during the afternoon break and to encourage teachers and auxiliary staff to provide pedagogical support.

Because these objectives have not yet been realised, MAI Montpellier has been charged to identify the difficulties encountered and "to adapt the development strategy and provide the flexibility and resources demanded by elected representatives and administrators".

The study will also look at the way the children and parents concerned view the current programme.

www.iamm.fr

Conference on "Agriculture and Geopolitics"

On 18 November 2010, CIHEAM organised a conference-debate entitled "Agriculture & geopolitics: do we want to feed the world?".

Nearly 300 people came to this meeting, held on the premises of Sciences Po in Paris, to hear analyses by ten experts, renowned for their work on development, food issues and geopolitics.

The purpose of the meeting was to spark an innovative, multidisciplinary debate which joined up the thinking of decision makers with that of experts in the fields of agriculture and international relations.

CIHEAM has published an Analytical Note (No 62, December 2010) providing a summary of the discussions that fuelled this meeting. The document is available at:

www.ciheam.org

Characteristics of Turkish agrifood trade products

Table 3 classifies agrifood trade of Turkey according to the EC's combined nomenclature. Nearly 75 percent of Turkish exports are final products. The opposite is observed on the import side. Almost half of the imports are bulk commodities, and more than one third of imports are intermediate inputs. Fast decline in the share of bulk exports and stagnant share of bulk imports may be considered as the manifestation of high protection in the agricultural commodities. Steady increase in the imports of final products signals more openness to trade, mostly through preferential trade agreements.

TABLE 3
Turkey's agrifood trade by product category, 1999-2009 (%)

Product category*	Exports			Imports		
	1999-01	2003-05	2007-09	1999-01	2003-05	2007-09
Commodities	18.1	10.9	7.8	47.3	44.2	43.3
Intermediate products	15.8	14.6	14.8	36.3	38.6	36.0
Finished products	66.1	74.5	77.4	16.4	17.2	20.7

Source: TurkStat, 2010; EC, 2010.

Note: All products covered by WTO-Agreement on Agriculture (period averages).
* Category definitions are those of the EC (2010).

Turkey's agrifood exports are not highly diversified. The concentration on a few sub-sectors appears to be remarkable. Edible fruits, nuts and vegetables make up around 40 percent of exports. Another 20 percent of exports are processed fruit and vegetable products. Increasing trend is observed in cereals preparations, especially wheat flour, reaching 7 percent of total exports in 2010 from a meagre 2 percent share in 1999. The opposite is observed in yet another classical export product of Turkey, tobacco. The share of tobacco and related exports in total declined from 13 percent in 1999 to 7 percent in 2010.

Product categories shift to commodities and intermediate inputs on the imports side. Various agricultural raw materials, particularly raw hides and skins, leather, textile fibres and fibre scrap, take precedence in the agrifood imports, with more than half of the total. Cereals and cereal products, animal feed, tobacco and tobacco products, animal and vegetable oils, fats and waxes; oilseeds and pulses complete the agricultural imports. The imports of hides and skins, and fibres were hit seriously by contracting textiles and apparels sector due to the global crisis. Cotton imports recovered quickly, but the hides and skin exports have been dwindling in the last three years. Major imported products are oilseeds and vegetable oil. Despite generous domestic subsidies to the production of oilseeds, this sector's share in total imports remained at around 30 percent.

The dynamic nature of the agrifood trade needs to be praised given the rather restricted space left to the exporters. Basically, Turkey allows imports commodities to feed the domestic population and to provide commodities and intermediate inputs for the exports. Most of these imports originate from USA, EU-27 and South America. The major destination for the exports of final products is EU-27, Near and Middle Eastern countries and Russia.

Conclusion

Turkey's agrifood trade is based on crop products. Trade in livestock and livestock products is negligible. This is basically due to prevailing agricultural policies of the last three decades. Livestock sector is highly protected allowing no imports. Exports are also insignificant due to the widespread animal disease and high protection on the feed crops. Hence, Turkey is far from even contemplating full potential of agrifood trade.

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MAI Chania

A new programme entitled R&D Industry – University support for research and development in industry – is being implemented by MAI Chania.

The main objective of the project is to help make the technology and knowledge transfer from university to industry more efficient and thus increase economic growth.

R&D Industry is aimed at SMEs, which are unable to enjoy the benefits of adequate university-industry knowledge transfer owing to limited resources.

The goal is to identify SMEs' R&D deficiencies and help them benefit from the university's latest research. In addition the platform thus established, together with associated networking activities, will strengthen university-SME cooperation.

The programme has a total budget of 1,352,500 euros, runs from 2010 to 2013 (36 months) and is financed by the EU MED programme (2007-2013). The University of Maribor, Slovenia, acts as project coordinator.

www.maich.gr

The trade performance of the agrifood sector is fully dependent on the ability of exporters of fruit and vegetable products in exploiting international market opportunities. It is ironic to note that the level of government involvement in this product group is almost nil. The opposite is observed in the basic foods. Almost all policies are targeted to basic crop products and Turkey is on the edge of being a perpetual net importer in this product group. The only exception in the recent years has been the wheat flour manufacturing sector that has been able to increase its extremely low capacity utilisation ratio through exports.

Increasing openness of trade in agrifood products will enlarge the activity space of the exporters out of the fruits and vegetables. Eventually, the ability of the agrifood sector to compete with the imports and in the international markets would approach to its potential.

Erol H. Cakmak

Opening up Morocco's agriculture to the world market

Najib Akesbi

Economist, Professor at the Hassan II Agriculture and Veterinary Institute, Rabat

Agriculture is still a relatively important sector for Morocco with a share in GDP ranging from 12% to 18% depending on the success of cereal production, which in turn is strongly dependent on the vagaries of climate. Employing nearly 80% of the workforce in the rural world (home to nearly 45% of the total population) and mainly involving family farms, it still largely determines the course of the national economy and the social, territorial and environmental balances of the country.

Following independence, Morocco applied a policy of sustained state interventionism in agriculture, which was superseded in the nineteen-eighties by one of increasingly overt liberalism. The latter was first implemented through structural adjustment programmes and subsequently reinforced in foreign trade dealings. The object of the liberalisation process, enshrined in multilateral commitments made under the aegis of the World Trade Association and in a series of bilateral free-trade agreements, is to integrate the country's agriculture into the world and regional economy.

Multilateral liberalisation

As a member of the old GATT arrangement from 1987 onwards, Morocco played an active part in the multilateral Uruguay Round negotiations, which culminated in the "Marrakech" agreement of April 1994. Like other developing countries, Morocco undertook to dismantle all non-tariff barriers on goods covered by the agricultural part of this agreement and to convert them, where appropriate, into "tariff equivalents", which were to fall by 24% over the following 10 years (1995-2004). For "sensitive products", the tariff levels laid down in the "Moroccan offer to GATT" were relatively high, ranging from 190% for soft wheat to 283.5% for oils and oilseeds (Ministry of Foreign Trade, 1994). For other products the ceilings on the tariffs had already been steadily reduced to levels of 60% and then 45%. This multilateral commitment was respected, with quantitative restrictions on imports being eliminated in 1996 and tariff equivalents being instituted and then reduced by 24% in accordance with the ten-year timetable which came to an end in 2004.

In parallel with the move to multilateral liberalisation, Morocco launched a trade liberalisation process at bilateral level. It took practical effect with the signing and entry into force of free-trade agreements (FTAs) – nearly all of them featuring a substantial agricultural dimension – with the European Union, the United States, Turkey, the United Arab Emirates, all Arab League member countries and others. Morocco now has free trade agreements with about 50 countries, all but one of which are in Europe, the Maghreb zone or the Middle East.

IMC/RIFOSAL

5th Mediterranean study day

Since 2008 CIHEAM has been collaborating with the Mediterranean Institute of Certification (IMC) and the Italian University Consortium Rifosal on the preparation of a series of study days devoted to food safety and quality. The Centre took part in the fifth of these events in Barcelona on 1 December 2010.

The conference focused in particular on the benefits of the Mediterranean diet.

In this connection, the Secretary General of CIHEAM announced that work was in progress on the report *Mediterra 2012*, which would address this subject, and noted with satisfaction that the Mediterranean diet had recently been added to UNESCO's List of Intangible Cultural Heritage.

Bilateral Liberalisation

The EU, which receives two thirds of its exports and provides more than half of its imports, is by far the most important of Morocco's trading partners. This zone will therefore be given most of our attention here, although the FTAs signed with other less important partners will also be briefly presented.

- The association agreement between Morocco and the European Union

The 1996 association agreement with the EU, a Euro-Mediterranean partnership agreement under the Barcelona process, entered into force in March 2000 (Akesbi, 2001; Jaouad, 2006). For trade in industrial products, it provided for the gradual establishment of a free-trade zone over a transition period of 12 years, whereas for trade in agricultural goods it merely adjusted the provisions of previous agreements. However, a "rendezvous clause" allowed for further negotiations on the agricultural aspects of the partnership, which were to lead in 2003 to an agreement on "progressive and reciprocal" liberalisation of trade.

This agreement would prove to be limited in scope since it was still marked by the politics of preferential trade arrangements and reciprocal concessions (Akesbi and Alvarez-Coque, 2003). From the Moroccan standpoint at any rate it only provided for simple improvements in the conditions governing access to European markets (which were kept within strict limits) and protection from persistent non-tariff barriers (quotas, timetables, entry prices), particularly in the case of the main exports (tomatoes, oranges, clementines, etc.). The real novelty lay in the tariff concessions, which were significant but linked to quotas laid down by Morocco for European exports of foodstuffs considered "sensitive", notably cereals, dairy products, oilseed and meat.

The agreement, entered into for a period of four years, was to be replaced in 2008 by another one, which would take an uncompromisingly liberal approach. In fact, the new agreement was not signed until December 2009, and was unlikely to enter into force before 2011. Judging by the parts of it that have already been published (CIHEAM 2010), the agreement provides for lists that are to be liberalised at different levels and at different intervals depending on the sensitivity of the products they comprise. Morocco is thus expected to liberalise 45% of its EU imports (dairy products, oilseeds, cereals other than soft wheat, etc.), whereas other products will have to wait five to ten years (processed products, fruit, vegetables, etc.). Moreover, certain products, considered sensitive, should not be fully liberalised but should nevertheless be given preferential access to the Moroccan market (meat, wheat, olive oil, apples, etc.). For its part the EU is expected to cut customs duties on 55% of its agricultural imports from Morocco but, more significantly, will maintain its non-tariff barriers on a list of six products that are both important and sensitive while nevertheless agreeing to a gradual increase in the quotas for the goods concerned (tomatoes, strawberries, marrows, cucumbers, garlic and clementines). Again, this agreement does not seem to be final in that it includes a rendezvous clause providing for a review of the situation three years after its implementation. It should fall within the scope of the Enhanced Free Trade Agreement, which, now that Morocco has been given "advanced status", should contribute to the gradual integration of the Moroccan economy into the European market.

- The free-trade agreement between Morocco and the United States

Trade with the United States accounts for less than 5% of Morocco's foreign trade and the fact that the two countries have nevertheless been able to sign a free-trade agreement is primarily due to the strong political will shown by heads of state in 2002 (Akesbi, 2008). This agreement, which entered into force in 2006, is intended above all to be a genuine, all-encompassing free-trade agreement. Nothing is excluded from its ambit, neither agriculture nor indeed industry, services, intellectual property, public markets or the environment. It is also intended to be totally "visible" at all stages, for while it provides for different periods of time for the elimination of trade barriers depending on the sensitivity of products and services, everything is planned from the outset and once commitments on either side have been fixed they become irreversible.

In the particular case of agricultural trade, the liberalisation process is based on different lists of products to which precise timetables for the winding down of tariffs are to apply (Akesbi, 2006; Jaouad, 2006). They range from list A, which covers products to be relieved from customs duties immediately, to list S whose products are to be liberalised over a period of 25 years, with numerous others in between. Morocco, for its part, has been able to ensure that certain exceptions, mainly relating to imports of American soft wheat and red meat, will be maintained. Whereas the latter are still subject to limited quotas, soft wheat is to be treated in much the same way as it is under the agreement with the European Union. For all other goods, Morocco has undertaken to open up its market to American agricultural and agrifood products, normally within time limits of 10 and 15 years.



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MAI Bari

As part of the project MELIA ((Mediterranean DiaLogue on Integrated Water ManAgement), MAI Bari organised a seminar in Venice entitled "Capacity Building Training Seminar on Integrated Water Management in the Mediterranean".

MELIA is a project financed by the European Union as part of FP6 INCO-MED, whose purpose is to assess integrated water resource management methods in the Mediterranean countries.

Scientists, policy makers, water administrators, representatives of associations and NGOs, together with 70 teachers and pupils from 16 Mediterranean countries took part in this event, which was organised jointly by CIHEAM-MAI.B (Italy) the IUAV University of Venice, the Delft University of Technology (Netherlands), the CSIC (Spain) and the CIRF (Italy).

For more information:
www.meliaproject.eu

In return Moroccan goods, ranging from tomatoes, potatoes and marrows, citrus fruit, water melons and strawberries to frozen and processed products, will be freely exportable once the agreement enters into force. It should however be pointed out that access to the American market is mainly obstructed by non-tariff barriers: sanitary and phytosanitary conditions, the problem of getting onto American marketing circuits, the problem of achieving the critical size needed to meet orders on the scale demanded by the American market, etc. These obstacles have no doubt played a part in preventing Morocco from gaining any significant benefit from the agreement. Indeed, exports from the United States to Morocco increased threefold between 2005 and 2009 from 6.1 to 18.8 billion dirhams, whereas those from Morocco to the United States rose only very slightly from 2.5 to 3.6 billion dirhams. And, as highlighted in a recent report by Morocco's Ministry of Foreign Trade, the boom in American exports to Morocco is mainly due to increased export of agricultural goods, such as maize and oilseed (Challot, 2010).

- Other free-trade agreements

"The Arab League Agreement" intended to "facilitate and develop inter-Arab trade" was signed under the auspices of this regional organisation in 1981 but its entry into force "in principle" did not come about until January 2005. The implementation programme still maintains certain restrictions on agricultural trade. In particular it provides that each country should maintain a list of not more than ten products for which tariff preferences under the agreement are suspended during periods of high output. Morocco's list of exceptions therefore includes such basic products as cereals, sugar and oils.

"The Quadripartite Agreement" emerged from the "Agadir Declaration", which was made at the close of a summit involving the heads of state or government of Morocco, Tunisia, Egypt and Jordan in May 2001 and provided for the creation of a free-trade zone between these four Mediterranean Arab countries in anticipation of the wider Euro-Mediterranean one. The agreement entered into force in July 2006. In addition to improving trade between signatory countries and strengthening their situation in regard to the European Union, the agreement institutes "diagonal cumulation" of the rules of origin when goods are exported from one of these countries to the EU, thereby encouraging further integration of their economies. In principle the agreement does not make an exception of agricultural goods, which are treated in the same way as industrial products. As for the procedure for dismantling tariffs, it is identical to the one adopted by the Arab League (Jalal, 2002). So far the main beneficiaries of this agreement seem to have been Morocco's three southern Mediterranean partners, whose exports to the country soared from 560 million dirhams to nearly 5 billion between 2007 and 2009, while at the same time their own imports from Morocco rose only very slightly from 1.3 to 1.8 billion dirhams (Challot, 2010).

The free-trade agreement between Morocco and Turkey was signed by the two countries' prime ministers on 7 April 2004 in Ankara. It too looks forward to the creation of a Euro-Mediterranean free-trade zone. On the agricultural front, however, the agreement merely restricts the dismantling of tariffs to certain products that are not considered sensitive, while products benefiting from reductions in customs duties still tend to be subject to quota restrictions. For Morocco, the concessions mainly applied to chick pea seeds, lentils and other pulses, cumin seeds and cheeses. For Turkey they applied to living plants, cucumbers and gherkins, tinned apricots and some spices (Jalal, 2004). Here too, judging by the available figures on trends in trade between the two countries, it would seem that the 2004 agreement mainly benefited Turkey. In 2009 its exports to Morocco were worth 5.7 billion dirhams, whereas its imports from the same country barely exceeded 1.4 billion dirhams (Challot, 2010).

The free-trade agreement between Morocco and the United Arab Emirates entered into force on 11 November 2003. Its scope is all-encompassing, covering every product of every kind with just a few exceptions (where questions of health, morality or safety are concerned, or where they come from free zones in the two countries). To be eligible for the preferential tariff regime, compliance with the rule of origin is compulsory and this rule requires that the price of the goods traded in the partner country be increased by at least 40% of the added value. The fact is that operators in the two countries still find this rule difficult to interpret at times and it can even be a source of contention between them.



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MAI Zaragoza

The final seminar of the European project QUALIWATER (Diagnosis and control of Salinity and Nitrate Pollution in Mediterranean Irrigated Agriculture, 2006-2007) was held at the Mediterranean Institute of Zaragoza on 20-21 October 2010.

The seminar was attended by 90 people who work or conduct research in the field of irrigation water management from 10 Mediterranean countries.

In the course of the seminar sessions the findings of five years of research on diffuse pollution in nine irrigated areas in five Mediterranean countries (Algeria, Morocco, Spain, Tunisia and Turkey) were presented and discussed.

The seminar featured a fruitful discussion between persons who were involved in the project and managers and scientists who were not. It marked the end of this project, which has generated a large number of scientific and technical publications as well as recommendations to farmers and water administrators. It has also provided training for young researchers from several Mediterranean countries.

www.iamz.ciheam.org/qualiwater

Open trade: a threat?

Strange as it might seem, this series of agreements does not seem to arise from a more general ambition on the part of the Moroccan authorities to ensure ongoing national development or to coordinate or harmonise arrangements in each others' countries in order to maximise benefits and minimise downsides.

On an even more serious note, all these agreements have been entered into at a time when it is particularly difficult to bring about the essential reforms needed to improve Morocco's export supply and increase its competitiveness. The upshot is that Morocco now seems to be the country that loses out from the trade liberalisation agreements it has signed over the past fifteen years.

In 2009 Morocco's trade deficit with the EU hit 60 billion dirhams, more than 8% of its GDP. Over the same year its import-export coverage was 54% for the European Union, 37% for the three other signatories of the Agadir Agreement, 24% for Turkey and 20% for the United States (MEF, 2010).

In such a context as this, Moroccan agricultural development has been marked by contrasts: one export sector is relatively productive but limited to a few islands – often irrigated and relatively prosperous, in a sea of subsistence agriculture, bowed down by the constraints of persistent underdevelopment. The productive sector is still prevented from realising its ambitions by the continued existence of the non-tariff barriers that block access to the main export markets and is therefore unable to take full advantage of trade liberalisation. At the same time subsistence agriculture, practised by the vast majority of the rural population on family farms, seems to be less and less capable of feeding its population, which makes for an increasingly dangerous food dependency. At present, therefore, the opening up of trade is seen more as a problem, even a threat, than an advantage and an opportunity (Akesbi, Benatya and El Aoufi, 2008). If subsistence farms are forced to compete with their northern counterparts, which are far more productive as well as being heavily subsidised, free-trade agreements will have destabilising effects which may, we fear, lead inexorably to the ruin of a great many of the more vulnerable farms, with terrible economic, social and ecological consequences.

Najib Akesbi

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- **Akesbi N.**, "Accord de libre-échange Maroc - Etats-Unis: Un volet agricole lourd de conséquences", *Région et Développement*, No 23, L'Harmattan, Paris, 2006.
- **Akesbi N., Benatya D. and El Aoufi N.**, *L'agriculture marocaine à l'épreuve de la libéralisation*, Economie critique, Rabat, 2008.
- **Challot H.**, "La facture salée du libre-échange...", *La Vie éco*, 22 October 2010, Casablanca.
- **Ministry of Economy and Finance**, Economic and financial report, finance bill for fiscal year 2011, Rabat, 2010.

News in Brief

Turkey-Lebanon free-trade agreement takes account of Lebanon's particular situation

After many decades in which Turkey's relations with the Arab world have often been somewhat cold, if not actually tense, Turkey is now applying itself to the task of forging economic and political relations with it. It accordingly signed a free-trade agreement between Turkey and Lebanon on 24 November in the course of a visit to Lebanon by Turkish Prime Minister Recep Tayyip Erdogan. This agreement is the outcome of a framework agreement signed in Istanbul the previous June between Lebanon, Turkey, Syria and Jordan and its specific objective is to establish a zone for the free movement of people, goods, services and capital within no more than 10 years of its entry into force. Ankara and Beirut already have significant trade flows, amounting to more than 800 million dollars in 2009, but the trade balance is very one sided, most of the exports being from Turkey to Lebanon. It should however be noted that Lebanese exports are increasing at a rapid pace (by more than 100% compared with 2009).

But in view of the competitiveness differential between Lebanese and Turkish agricultural products, hindrances to trade will not be lifted immediately, at least not in their entirety, indeed the two countries have agreed to limit free trade in the sector to 20 products. The competitive capacity of the Lebanese agricultural sector is restricted by a number of factors, including the high price of land, high cost of local manpower, lack of technical supervision, very limited access to loans and poor organisation of industries. In the case of industrial products, three groups have been singled out, either on the basis of the competitiveness differential or because the goods in question may or may not be produced by partners. The first group is to be exempt from customs duties as soon as the agreement is ratified, the second is to be gradually exempted over a period of five years, and the third should be exempt within five years, which will give Lebanese industrialists time to adapt to the free movement of goods.

Publications

Pandi Zdruli, Marcello Pagliai, Selim Kapur and Angel Faz Cano (eds.), *Land Degradation and Desertification: Assessment, Mitigation and Remediation*, Dordrecht, Heidelberg, London, New York, Springer, 2010.

World Bank, *Rising Global Interest in Farmland: Can it Yield Sustainable and Equitable Benefits?*, September 2010.

Sylvia Pérez-Vitoria, *La riposte des paysans*, Arles, Actes Sud, 2010.

FEMIP, *The crisis and exit strategies in the Mediterranean partner countries*, 2010.

FAO, *The state of food insecurity in the World, Addressing Food security in protracted crisis*, 2010

Thierry Pouch, *La guerre des terres. Stratégies agricoles et mondialisation*, Paris, Ed. Choiseul, 2010.

UNDP, *Human Development Report 2010. The Real Wealth of Nations. Pathways to Human Development*, Geneva, November 2010.

Alain Bué and Françoise Plet (dir.), *Alimentation, environnement et santé. Pour un droit à l'alimentation*, Paris, Ed. Ellipses, 2010.

Arab Forum of environment and development (AFED), Annual Report, *Water. Sustainable Management of a Scarce Resource*, Beirut (Lebanon), November 2010.

Mahi Tabet-Aoul, *Développement et environnement au Maghreb. Contraintes et enjeux*, Québec, Institut québécois de hautes études internationales, 2010.

Gilles-Eric Séralini, *Ces OGM qui changent le monde*, Paris, Flammarion, 2010.

OPOCE, *European Atlas of Soil Biodiversity*, Publication Service of the European Union, Luxembourg, 2010.

Agenda

18-19 January 2011 – Marseille (France)

At the *Sommet du Végétal* a round table on the Euromed region will address the question of supplying Mediterranean basin countries with seed over the next decade.
<http://www.matheztravel.com/sommetduvegetal2011/>

17-18 February 2011 - Ancona (Italy)

EAAE Seminar "Evidence-Based Agricultural and Rural Policy Making: Methodological and Empirical Challenges of Policy Evaluation", organised at the Economics Faculty of the Polytechnic University of Ancona. <http://eaae-seminar.univpm.it/>

24-26 February 2011 – Antalya (Turkey)

Seminar on "Assessing the medium- to long-term impacts of Global Financial Crises on Agro-Food Sector and Rural Economies" organised by Akdeniz University, Antalya, and the Centre for Economic Research on Mediterranean Countries (CERMIC).
http://www.eaae.org/eaae_site/attachments/432_121th%20Seminar.pdf

24-26 March 2011 – Hammamet (Tunisia)

The JARDIMED Green Areas and Urban Development Expo will bring together people with a professional interest in green spaces, plants and urban development. <http://www.jardi-med.com/>

13-15 May 2011 – Lyon (France)

World Conference on Veterinary Education, in partnership with the World Organisation for Animal Health (OIE) and the World Veterinary Association. <http://blanc.vet-lyon.fr/test/cmev2011/>

19-21 May 2011 – Agadir (Morocco)

World forum on "Climate change, agrifood, fisheries and ecosystems", organised by Ibn Zohr University, Agadir, the North-South Center for Social Sciences (NRCS) and German Technical Cooperation (GTZ).
<http://nrscs.webnode.com/scientific-events/iccaffe2011/>

This quarter's latest publications on www.ciheam.org

CIHEAM Analytical Notes

- *Do we want to feed the world? Which food insecurities and in whose interest?*, Record of the conference-debate organised in Paris on 18 November 2010, No 62, by CIHEAM, December 2010.
- *The desire for agricultural land. The Arab countries at the heart of the debate*, No 61, by Sébastien Abis and Paula Cusi Echaniz, October 2010.

CIHEAM Briefing Notes

- *Land degradation and desertification*, assessment, mitigation and remediation, by Pandi Zdruli, No 70, November 2010.
- *Women in the rural and agricultural environment in Albania: problems and developments*, by Shkelzen Marku, No 69, November 2010.

NewMedit

- Summary of the March 2010 edition of the review, September 2010.

CIHEAM Watch Letter

- No14, "Mediterranean rural women in agriculture and the rural environment", summer 2010.

Options Méditerranéennes

- *Changes in sheep and goat systems at the beginning of the 21st century*, F. Pacheco and P. Morand-Fehr (eds.), Options Méditerranéennes, Series A, No 91, CIHEAM-MAIZ, Zaragoza, 2010.
- *The contributions of grasslands to the conservation of Mediterranean biodiversity*, C. Pursued and S. Rios (eds.), Options Mediterranean's, Series A, No 92, CIHEAM-MAIZ, FAO, SEEP, 2010

Press Review

- Latest news on Mediterranean agricultural, food and environmental issues, September, October and November, CIHEAM.

The next Watch Letter

The 16th edition will be published in March 2011 and will be devoted to olive oil and olive growing in the Mediterranean.

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