

## 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 CO<sub>2</sub> 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.

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## Paralysis of international agricultural negotiations Risks and challenges facing Mediterranean countries

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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 7<sup>th</sup> 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](http://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

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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.