

Civil Society Reaction to the Joint Communication

“A Partnership for Democracy and Shared Prosperity”

Submitted by the
Arab NGO Network for Development (ANND)
Eurostep, and Social Watch



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We welcome the Joint Communication on a “Partnership for Democracy and Shared Prosperity” as a positive initiative towards what the communication describes as a “qualitative step forward in relations between the EU and its southern neighbors”. The groups submitting this position document work on issues of human rights, development, and justice in the Euro-Mediterranean region. They stress the importance that new approaches to the partnership with the Southern neighbors reflect on what worked and did not work in the partnership thus far. This is a necessary step towards establishing a partnership that addresses the actual needs and priorities of the people of the region. Therefore, we would like to highlight several of the concerns and propositions we have within the context of issues raised in the Joint communication, hoping to contribute to a constructive dialogue around the future of the EU-Mediterranean Partnership.

Highlighted recommendations from the ANND, Eurostep and Social Watch:

- *We stress the importance of revising the approach to economic and social partnership along the reforms on the political and civil society fronts. The adopted economic model cannot remain as status quo.*
- *We stress the importance of rooting the initial humanitarian aid and further financial assistance to the region in the principles of national democratic ownership, reflected in national consultation processes that include civil society representatives and various stakeholders in the formulation of national strategies and in the definition of priorities.*
- *We stress that the new approach ought to build on lessons learned from the application of the ENP tools so far, avoid conditionality- like system, and take into consideration the space and time and processes needed to nurture a national dialogue that identifies political, economic, and social reforms.*
- *We commend that the orientation of investment to local and national development priorities is necessary as part of the transition towards economic and social models that serve justice and rights.*
- *We stress that there should be continuous, adequate and accurate flow of information and open consultations with civil society organizations to enable their active engagement to the establishment of partnership mechanisms.*
- *We call on the EU to introduce migration as one of the indicators in assessing the impact of social and economic policies of the renewed partnership*
- *We stress the need to link progress on trade and investment liberalization with the developmental stages and capacities achieved by the Southern Partner Countries and that the policy coherence between trade and development should not be overlooked.*
- *We stress that promoting inclusive economic development necessitates acknowledging an objective assessment of the implications of macro-economic policies promoted and adopted thus far on development capacities and prospects.*
- *We stress that policy coherence between trade and development should not be overlooked, keeping in mind that achieving coherence necessitates establishing cross-sectoral dialogue at the policy making level, and within institutionalized foras and mechanisms that monitor the developmental outcomes of trade policies.*
- *We stress that consideration of agricultural policies and food security and sovereignty necessities addressing as well the impacts of liberalization of trade in agricultural products, the lack of human rights and development oriented assessment of what is proposed in this area, and the status quo in terms of the negative implications that the European Common Agricultural Policy have on the agricultural capacities and competitiveness of the Southern Mediterranean countries.*
- *We stress that in order to achieve stability in the region, there is an urgent need to address the peace process (as noted in page 11 of the communication) and to find a just and sustainable solution, respecting the related UN Resolutions.*

Introduction:

The Southern Mediterranean region is witnessing a period of change that extends beyond transition of power in Tunisia and Egypt; these countries are undertaking a period of **reconstruction of the state and the whole relationship of the citizen to the state**. Peoples of the region are seeking **a new Social Contract, based on respect of fundamental freedoms, rights, dignity, and rule of law**, which they have been missing under the previous regimes. Such objectives necessitate **a shift towards a new developmental paradigm, which re-enforces the right of the peoples in the region to development and economic and social justice**. Thus, along political reforms at the level of the constitution, electoral law, construction of an independent judiciary, fight against corruption and support of civil society, there is a need to address the overall social and economic model promoted in the region.

The EU has referred to the need for “more ambitious political and economic reforms” rooted in a “joint commitment to common values” (page 1 of the communication). While political participation, dignity, and freedom are values that are transversal, economic policies are highly related to the development stages countries stand at. This is why what works for the EU might not work for the developing countries of the Southern Mediterranean in terms of achieving economic and social justice for their peoples. The EU seems to maintain the status quo recipes in this field, which is reflected in its recommendations on the prioritization of trade and investment relations in the form and content that was developed with previous regimes (referred to in the communication under discussion and in the preparations related to the High Level International Meeting called for by the EU High Representative for Foreign Affairs and Security Policy).

We perceive that a real partnership towards “deep democracy building” necessitates healthy and inclusive national processes that result in social and economic models prioritizing economic justice and the people’s rights, to any other conditionality that comes from outside. **We stress the importance of revising the approach to economic and social partnership along the reforms on the political and civil society fronts. The adopted economic model cannot remain as status quo. As active civil society groups from the Euro-Mediterranean region, we have been long requesting this change in EU’s approach towards the region.**

In regard to the EU’s immediate response:

We acknowledge that the immediate and short-term humanitarian aid provided by the EU as the initial response to the emerging conditions in Tunisia, Egypt, and Libya is critical to support the needs on the grounds. We stress the sustainability of the short-term responses through having medium and long-term strategies that are critical to lessen further suffering of the people and address the root causes of the change we witness. **We stress the importance of rooting the initial humanitarian aid and further financial assistance to the region in the principles of national democratic ownership. This should be reflected in national consultation processes that include civil society representatives and various stakeholders in the formulation of national strategies and in the definition of**

priorities. When it comes to revising the electoral legal framework and for observing the elections, we stress the necessity of rooting this work in national capacities, and close cooperation with national and Arab civil society groups that are active in this area both in Tunisia and Egypt. In regards to the international meeting convened on February 23rd, we kindly bring your attention to a letter presented by ANND, EuroStep, and Social Watch to the office of Mrs. Catherine Ashton, the European High Representative for Foreign Affairs and Security.

In regard to adapting the EU approach:

The “incentive-based approach” that is introduced as the new approach to the relationship with the region necessitate us to question what criteria is used to judge the kinds of reforms that are associated with this approach and on which countries are expected to deliver. Indeed, if this approach is based on economic and security related objectives that are set by the EU, then we are concerned that such an approach is rendered another conditionality approach, though re-named differently. The experience showed that the tools that are supposed to reflect an agreed upon nationally nurtured agenda of reform, such as the Action Plans under the ENP, did not actually reflect a participatory inclusive process based on national dialogue around political, economic, and social reforms. Accordingly we stress that **the new approach ought to build on lessons learned from the application of the ENP tools so far, avoid a conditionality- like system, and take into consideration the space and time and processes needed to nurture a national dialogue that identifies needed political, economic, and social reforms,**

The commitment to adequately monitored, free and fair elections is set to be the entry qualification for the Partnership. While it is well articulated, the EU should take into account that **most of the Southern Mediterranean countries do lack the necessary legislative and normative frameworks to have free and fair elections.** Reform processes on this issue have indeed started in each of Egypt and Tunisia; however freedom of assembly and association and expression remain restricted in a lot of other partner countries and should be re-articulated for enabling the environment to hold free and fair elections. **The EU therefore should initially prioritize assistance for moving towards such enabling environment. The effective and efficient implementation of the International Covenant on Civil and Political Rights and core international treaties regarding freedom of assembly and association and of expression would set the common approach.**

In regard to democracy and institution building:

The support envisaged to “encourage foreign and domestic economic investment” being of high importance, should conform with the respect to fundamental human rights and principles of economic justice and the right to development. The recent turmoil had clearly showed that mere economic growth, driven by focus on liberalization and attraction of foreign direct investment, does assure neither the equal distribution of wealth nor the progress in democratic processes. **We commend that the orientation of investment to**

local and national development priorities is necessary as part of the transition towards economic and social models that serve justice and rights.

The reference in the communication to the role of civil society is highly welcomed. In this regard, we call upon the EU to acknowledge and factor in future planning that (1) there is a clear lack of sustained engagement of civil society organizations (CSOs) from the region with the national policy making process, including policy formulation, monitoring, evaluation and revision due to constraints in the national policy process (2) CSOs are restricted by limited resources and challenged by the lack of access to information which limits their awareness and capacities to address and impact policy-making processes and (3) the available spaces within the EU mechanisms remain as well limited, and inaccessible for CSOs of the partner countries bringing in further limitations to their effective and efficient participation in the processes.

Civil Society Neighborhood Facility stands out as a promising initiative but its structure should be established in full participation and consultation with CSOs from the region, rather than providing them a structure designed merely by the EU, not necessarily reflecting their own concerns and priorities. Civil society groups active in the Euro-Mediterranean Region have systematically engaged and followed the Euro-Med processes, through various networks and platforms that have organized around the area. The Civil Society Neighborhood Facility and the proposed Euro-Mediterranean Social Dialogue Forum, if planned and implemented through genuine participation of civil society can respond to the lack of permanent institutional consultation processes in the partnership and revitalize the role of CSOs (We refer you the set of 30 proposals developed around social policy dialogue within the Euro-Mediterranean region and through its mechanisms, which were printed in the publication “30 Proposals to Develop a Genuine Social Dimension in the Euro-Mediterranean Partnership”, available at: http://www.fes.org.ma/common/pdf/publications_pdf/Policy_Brief/Policy_Brief.pdf). **In this regard, there should be continuous, adequate and accurate flow of information and open consultations with CSOs to enable their active engagement to the establishment of such mechanisms.**

In regard to tackling the challenges of mobility:

With regard to the Mobility Partnership, the EU must strictly escape from re-adopting an approach to migration and mobility of people which remains overly focused on the security approach. A migration approach by the EU that could contribute to developmental outcomes needs to be extended towards addressing the root causes of migration, including lack of freedom, as well as constraints and challenges at the social and economic level and adequacy of policies promoted and adopted.

We call on the EU to introduce migration as one of the indicators in assessing the impact of social and economic policies of the renewed partnership. This is directly related to the approach adopted in the “Global Approach to Migration” (European Council in December 2005), which noted that “*the migration and development agenda will*

be intensified by increasing coherence between the Union [for the Mediterranean] various policies, including their financial instruments, with a view to addressing the root causes of migration”¹. This necessitates bold steps to turn these enlightened statements into action, and to develop the institutional settings required to ensure this cross-sectoral policy coherence.

In regard to promoting inclusive economic development:

The description of the shortcomings characterizing the economies of the Southern Mediterranean countries, which contributed to the climax towards the revolutions we saw in Egypt and Tunisia, is highly linked to the economic and social policies adopted by the political leadership in these countries, which was also influenced by the economic and social recipes that have been promoted through the Euro-Mediterranean partnership and through agreements with the international financial institutions (IFIs). **The abilities of Southern Mediterranean countries to re-invigorate their economies to deliver sustainable and inclusive growth, development of poorer regions and job creation, necessitates adequate policy space at the national level, which is often constrained by economic policy conditions and commitments promoted through the Euro-Mediterranean Partnership and agreements with the IFIs.** Indeed, the policy recommendations of the IFIs have been long criticized for being short-run oriented, too focused on demand management, while not paying adequate attention to social spending and income distribution. Such recipes, which reoriented macroeconomic policies towards prioritizing combating inflation, attracting foreign direct investment, and greater openness to trade and capital flows, have side-lined the goals of full employment and equitable income distribution. They have appeared repetitively in reports by the IMF on North African countries post the global economic crisis.

We stress that promoting inclusive economic development necessitates acknowledging an objective assessment of the implications of macro-economic policies promoted and adopted thus far on development capacities and prospects. A revision of the whole economic and social models necessitates a shift in the whole development processes and its relation to production and redistribution functions, and not mere alterations in input and outputs within a growth strategy that is largely detached from the developmental needs of the people. This necessitates a national dialogue and convergence process around economic and social priorities, which the EU investment tools and support should avoid distorting through enforcing policy conditionalities.

With regard to the ensuring maximum impact of trade and investment:

¹ This was re-iterated by the the Euro-Mediterranean Ministers of Labour and Employment, meeting for the first time in Marrakesh in November 2008, when they called “for an integrated approach where economic, fiscal, employment, social and environmental policies as well as education and training policies go hand in hand”. For more, please see: “30 Proposals to Develop a Genuine Social Dimension in the Euro-Mediterranean Partnership”, available at: http://www.fes.org.ma/common/pdf/publications_pdf/Policy_Brief/Policy_Brief.pdf).

In the section of the joint communication addressing trade and investment, the EU preserves its traditional approach so far in addressing trade and investment agreements in isolation of the overall economic and developmental context of the Euro-Mediterranean region. **There is a need to link progress on trade and investment liberalization with the developmental stages and capacities achieved by the Southern Partner Countries (We bring your attention to points raised by the Arab NGO Network for Development in a letter commenting on the EU non-paper entitled: “ENP- A Series of Deep Free Trade Agreements as a Path towards a Neighborhood Economic Community (NEC)”- dated 13th of April 2007).** It is worth noting that the sustainability impact assessment of the Euro-Med Free Trade Area that was commissioned by the EU Commission have shown that on the short and medium terms, Southern Mediterranean Partner countries will be negatively impacted in regards to employment, average wages, and government spending on social services, among others. Any new propositions should work towards addressing these challenges. These results have been sidelined instead of being used for improvement of the partnership on this front.

The trade agenda, including liberalization in the areas of agriculture and services, and steps in the area of regulatory convergence necessitates a revision of the results achieved thus far from the liberalization process undertaken in the area of industrial products, as well as human rights- based assessments of the potential impacts of the proposed liberalization. While competition policy, public procurement, and investment protection are areas of high development-impact that were not accepted as trade negotiations items by many developing countries under the WTO, including Southern Mediterranean countries, **the EU ought not re-introduce these issues on a bilateral level and without considering their implications on national policy space for development. The policy coherence between trade and development should not be overlooked,** keeping in mind that achieving coherence necessitates establishing cross-sectoral dialogue at the policy making level, and within institutionalized foras and mechanisms that monitor the developmental outcomes of trade policies. It also necessitates cross-cutting interventions for effective social and developmental considerations.

In regard to enhancing sectoral co-operation:

The strategic importance of the Southern Mediterranean in terms of security of gas and oil supplies and production and management of renewable is clearly stated by the EU. **While the promotion of renewable resources is core to a new development paradigm, the attempts to integrate the Southern Mediterranean in the EU internal energy market should always take into consideration the development context and the differentiation of development stages that Southern Mediterranean countries are at compared to EU member states. This comes in line with the EU’s development policy objectives as stated in the Lisbon Treaty, which aims at the eradication of the poverty, rather than simply aiming at ensuring energy security.**

The Joint Communication touches upon food security and introduces a new initiative-a European Neighborhood Facility for Agriculture and Rural Development. **We stress that consideration of agricultural policies and food security and sovereignty necessities addressing as well the impacts of liberalization of trade in agricultural products, the lack of human rights and development oriented assessment of what is proposed in this area, and the status quo in terms of the negative implications that the European Agricultural Policy have on the agricultural capacities and competitiveness of the southern Mediterranean countries.**

It is true that social networks and the internet played a crucial role in the recent revolutions in the southern Mediterranean countries. Nevertheless, the Joint Communication direction towards stressing the creation of “*truly open markets*” with regards to the Information and Communication Technology sector needs to be elaborated cautiously. **Decisions on liberalizing and privatizing the communications sector should derive from the national choices of the countries in the region, taken by democratically elected representatives.**

In regard to regional and sub-regional implications:

While stressing the importance of regional cooperation and integration, it is important to note that regional cooperation among Southern Mediterranean partners has remained weak and with un-achieved potentials due to a multiplicity of factors, among which are undiversified production, political tensions and contradictive concerns, and the proliferation of signing competing agreements. It is as well crucial to note that regional integration should be sought not only on economic aspects, but should include a broader agenda including social integration and addressing disparities and inequalities among the countries of the region. While a fresh look at the UfM is welcome, there is a need to address the effectiveness of a project based approach, which can often be de-linked from the overall development priorities of the partnership. **The role of the private sector in these projects, the accountability and oversight mechanisms, and the relevance of the proposed projects to the overall development prospects in the region are of utmost importance. Moreover, a broader regional perspective ought to be adopted, rather than the previous initiatives which chose to divide the Arab region according to the interests and perceptions prioritized by the EU.** In this respect, the Gulf countries should not be treated separately than the rest of the Arab region, and the regional integration between the Gulf and other Arab countries should be equally supported.

It is positively noted that the EU declares its commitment to pursue more efforts behind the Middle East peace process. **Indeed, in order to achieve stability in the region, there is an urgent need to address the peace process (as noted in page 11 of the communication) and to find a just and sustainable solution, respecting the related UN Resolutions.** Development efforts made will not lead to substantial and sustainable improvement in the situation unless they go hand in hand with political interventions that can address the real causes of the problem and the rights of the peoples and unless it is properly addressed based on the respect to self-determination and international law.