

Euro-Mediterranean cooperation in agriculture within the new international context ¹

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I would like to express all my gratitude to the European Association of Agricultural Economists which, as part of its Xth Congress, has taken the initiative to organise this seminar, specifically devoted to the prospects of the Mediterranean agri-food systems in the prevailing international context.

I would like to complete the picture by addressing the place of agriculture in Euro-Mediterranean relations and drawing attention to the efforts we are making in CIHEAM to develop cooperation in this sector, which is of such importance to the general economies of the Mediterranean countries.

Euro-Mediterranean relations, that is to say the relations between the European Union and the Mediterranean countries, are governed by association agreements: at present, apart from the Mediterranean accession candidates – Cyprus, Malta and Turkey –, all the other countries to the South and East of the Mediterranean, which have subscribed to the Barcelona agreement of November 1995, have concluded their negotiations on partnership agreements with the European Union, with the exception of one country – Syria – for which negotiations are still in progress.

The broad plan of the Euro-Mediterranean partnership is in the process of taking on a more precise shape owing to the formalisation of these partnership agreements and the scale of the European Union's commitment to economic and financial cooperation with partner countries in the region, following the implementation of the MEDA I programme (from 1995 to 1999) and the MEDA II programme (from 2000 to 2006). In the same way, the initiative on the part of the four countries in the SOUTH that have signed the Agadir Declaration – Morocco, Tunisia, Egypt and Jordan – to initiate a SOUTH-SOUTH integration process, represents an essential corollary to the Euro-Mediterranean free-trade zone, planned for 2010 under the terms of the association agreements.

How does Mediterranean agriculture fit into this context? How are the agricultural relations between the European Union and the Mediterranean countries managed

within the Euro-Mediterranean partnership?

The Barcelona Declaration, with reference to agricultural products, stipulates that “taking as a starting point traditional trade flows, trade will be progressively liberalised through reciprocal preferential access among the parties”; as to agricultural themes, the work programme annexed to the Barcelona Declaration cites:

- integrated rural development,
- support for policies implemented by the Mediterranean countries to diversify production,
- reduction of food dependency,
- promotion of environment-friendly agriculture.

The Euro-Mediterranean conferences held subsequently have not further highlighted the problem of agricultural relations between the European Union and the Mediterranean countries.

The Marseilles Conference of November 2000 merely drew attention to:

“the need to take new measures for greater liberalisation of agricultural trade, subject to a gradual and reciprocal approach, in accordance with the principles set out in the Barcelona Declaration and the WTO rules.”

Lastly, the Final Declaration of the Valencia Conference of the 22nd and 23rd of April 2002 contained a passage on improving market access in agriculture, stipulating the need:

“to examine the prospects for greater reciprocal liberalisation of trade in agriculture products, in conformity with the provisions of the Association agreements and the progress achieved in the multilateral context. The conference asked the Commission to elaborate a study on the impact of such liberalisation on the European Union and the Mediterranean partners”.

The partnership agreements contain provisions which allow access to the European market, giving preferential treatment to certain agricultural products, subject to precise quantitative limits and, where appropriate, limited to certain periods in the calendar. These agreements also contain clauses providing for the review of the agricultural aspects, by virtue of which some countries such as Tunisia (for olive oil) or Morocco (for citrus fruits and tomatoes) have obtained improvements in the authorised levels of export quotas.

But these stipulations, despite the beneficial effects produced by the agreement to open up the European market, do not represent a clear guideline for the future of Medi-

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terranean agriculture, in the framework of the Euro-Mediterranean partnership and with the prospect of the Euro-Mediterranean free-trade zone entering into force in a few years' time.

Similarly, the fairly considerable financial resources mobilised under the MEDA programmes have not been, or have only rarely been, allocated to agricultural projects. There is actually a certain reluctance to address the problem of agriculture in the Mediterranean countries in the texts of official agreements.

Now, this sector is of fundamental strategic importance for most of these countries, particularly because of the employment it provides for the active population and the contribution it makes to GDP formation.

This reluctance to take full account of the question of agriculture in the framework of Euro-Mediterranean relations is inconsistent with the stated objective of establishing a free-trade zone.

Indeed, if a free-trade agreement is to be compatible with the rules of the WTO, no economic sector can be excluded from free trade and the essential bases of trade (imports and exports) must be covered.

We realise that there is a difference of opinion on this matter; moreover, it is reflected in the WTO multilateral negotiations. Let me remind you of the three main positions:

- a) agriculture must participate fully in the play of free competition; all production must be liberalised and market access must be ensured, with no exceptions;
- b) agriculture must be excluded from the Euro-Mediterranean free-trade zone in the interests of the Mediterranean partner countries themselves, which would otherwise be competing for access to the European markets for their agricultural exports with other countries in the world, from the Southern hemisphere, for example, where countries market their products more effectively;
- c) agriculture may be included in the free-trade zone, but on the basis of regional, preferential concessions – of the kind that the texts of Declarations made in Barcelona and at subsequent conferences seem to be referring to – which might be associated within the European Union with appropriate adjustments to the common market organisation rules for Mediterranean agricultural produce.

The debate between these schools of thought is still open, despite the fact that work at the technical level on the setting up of the Euro-Mediterranean free-trade zone is forging inexorably ahead.

Amongst the Mediterranean countries, there are some, like Egypt, that view the total liberalisation of the markets favourably and state their willingness to uphold market competition. Amongst the European Union member countries, the countries of the South take a very cautious view, not only of free access to the European market for certain goods from Mediterranean third countries, but also of any increase in the preferential quotas granted to

them, hence the importance accorded to the impact analyses of the kind demanded from the European Commission, first in 1996 and most recently in Valencia in March 2002.

But here – and I refer to an analysis of international agricultural trade, recently presented by Paolo De Castro, the former Italian Minister of Agriculture, to a seminar organised by CIHEAM in Algiers between the 26th and 28th of April 2002 on the subject “the Euro-Mediterranean agri-food area in the face of globalisation: partnership issues, impacts and strategies” – it must not be forgotten that over the period 1963 to 1999, exports of agricultural produce increased as much in the developed countries as in the developing countries. But whereas the exports from these two categories of country was in a ratio of 4.5 to 1 at the beginning of the period, it rose to 10 to 1 by the end, always to the benefit of the developed countries. It may therefore be argued that the process of globalisation in agriculture has benefited the countries that were already in a better position at the beginning of the process and has subsequently made them stronger.

Faced with such a scenario, and given the particular composition of our organisation, which includes five European Union member countries (soon to be six, we hope, with the accession of Malta) and seven countries located on the Southern and Eastern shores of the Mediterranean, we in CIHEAM are committed to maintaining a dialogue on these issues between the Ministers responsible for agriculture in our member countries.

After the first meeting in Rome in May 1999 at the initiative of Mr Paolo De Castro, then Minister of Agriculture, there followed the meetings in Rabat (in May 2000), and Athens (in June 2001) and we are now preparing the fourth, due to be held in Beirut in a few weeks time.

Without interfering with the formal negotiation process that takes place in the official Brussels fora, our meetings provide for frank and open discussion on the future of Mediterranean agriculture and on ways of achieving a more closely concerted approach to the multilateral negotiations. The ultimate goal of these ministerial meetings, held under the aegis of CIHEAM, is to enhance cooperation in agriculture within the context of the Euro-Mediterranean partnership and, where possible, to identify common positions in the multilateral agricultural negotiations.

CIHEAM helps Ministers find common positions by providing them with its annual report “Agri-food development and policies in the Mediterranean region”. Each year the first part of the report addresses a subject of prime importance to the agricultural economies of the region, and the different options put to policy makers are the subject of analysis, discussion and comment. CIHEAM also contributes by drawing Ministers' attention to non-conflictual issues, on which cooperation might be initiated or enhanced. It is in this light that we should view the final declaration of the above-mentioned inter-

national seminar in Algiers, which has sketched out a certain number of directions – in rural development and the environment, in the promotion of partnerships between economic players in the agri-food sectors, and in agronomic research. These directions could make a valuable contribution to enhanced cooperation in the Mediterranean region.

Indeed, we feel that the commitment to strengthening Euro-Mediterranean relations and improving their quality will also enable us to achieve the desired convergence of positions in the multilateral negotiation fora.

In this connection, we advocate a more consistent effort by the European Union to take account of the vulnerability of agricultural economies in the Mediterranean countries and of their plans to modernise agricultural structures. A vast field for cooperation in rural development is now opening up: it is our ambition that there will one day be a MEDITERRANEAN LEADER programme, in correlation with the EUROPEAN LEADER programme.

Our ministerial meetings have also reaffirmed the demand for cooperation on agronomic research, an instrument essential to development. Work programmes to promote the quality of agricultural produce and the reliability of food safety measures, to promote the Mediterranean diet and to protect designations of origin were proposed at the conference involving the research institutions located in the Mediterranean region.

At CIHEAM we also intend to pursue our work on the establishment of the Mediterranean Observatory, in accordance with the demand by the Ministers of Agriculture. We wish to use this instrument to monitor agricultural, agri-food and rural development policies in the countries of the region, and also to provide for the exchange and updating of a whole series of basic information, which may be used for carrying out studies and research projects.

This year, 2002, in which CIHEAM celebrates the 40th anniversary of its founding, we are more than ever anxious to adopt a forward-looking approach in our work. Armed with the experience gained in the course of decades spent in contact with the agricultural realities of the Mediterranean, we feel that, if Europe were more consistent in the concern it showed for the structural requirements of the Mediterranean agricultural economies, the process of achieving the Euro-Mediterranean partnership and free-trade zone, and of working out a concerted approach in the international fora where multilateral agricultural negotiations are held, would certainly be easier and more fruitful.

Encouraged by the message given by Mr Romano PRODI, President of the European Commission, to the Mediterranean seminar organised by CIHEAM in Brussels on the 6th of June 2002, to mark its 40th anniversary, we may be confident of the future of the Euro-Mediterranean partnership.