



Report

Analysing the economic and financial relations between
the European Union and the South Mediterranean Countries



EuroMed Rights

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List of Abbreviations

ACAA	Agreements on Conformity Assessment and Acceptance of Industrial Products	ICESCR	International Covenant on Economic, Social and Cultural Rights
CBC	Cross Border Cooperation	ICRMW	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
CGE	Computable General Equilibrium	ILO	International Labour Organization
CLS	Core Labour Standards	IPRs	Intellectual Property Rights
CSR	Corporate Social Responsibility	MEDA	MEDA comes from MEsures D'Accompagnement (French for accompanying measures). It is the main financial instrument of the Euro-Mediterranean partnership.
DCFTA	Deep and Comprehensive Free Trade Agreement	MFN	Most Favoured Nation
DSM	Dispute Settlement Mechanism	MP	Mobility Partnership
EaP	Eastern Partnership	NTBs	Non-Tariff Barriers to trade
EBRD	European Bank for Reconstruction and Development	R&D	Research and Development
EIB	European Investment Bank	SIA	Sustainability Impact Assessment
EMAA	Euro-Mediterranean Association Agreement	SMC	South-Mediterranean Country
EMFTA	Euro-Mediterranean Free Trade Area	SME	Small and Medium-sized Enterprise
ENI	European Neighbourhood Instrument	SPS	Sanitary and Phyto sanitary Measures
ENP	European Neighbourhood Policy	TBT	Technical Barriers to Trade
ENPI	European Neighbourhood and Partnership Instrument	TSIA	Trade Sustainability Impact Assessment
ESRs	Economic and Social Rights	TVET	Technical Vocational Education and Training
FDI	Foreign Direct Investment	UfM	Union for the Mediterranean
GAFTA	Greater Arab Free Trade Area	VFAs	Visa Facilitation Agreements
GAMM	Global Approach to Migration and Mobility	WTO	World Trade Organization
GCC	Gulf Cooperation Council		
GDP	Gross Domestic Product		
GIs	Geographical Indications		

1. Introduction

This report aims to answer primarily two questions. First, did the developments before and during the Arab Spring or *Arabellions*, which started in Tunisia at the end of 2010, lead to any conceptual change in the EU's policy towards its neighbours in the Southern Mediterranean or South Mediterranean Countries (SMCs)?

Second, did they generate a stronger re-focussing in the scholarly debate among primarily economists in addition to social scientists and legal scholars on issues exploring the social impact of free trade and economic cooperation with the EU and how they affect social and economic rights of SMCs' citizens? To be able, however, to explore if and how these issues have attracted attention in the literature it is first of all necessary to clarify the concepts.

The economic and social rights (ESRs) to be looked at in the report will in general cover the right to an adequate standard of living (including the rights to food and housing), the right to health and education, as well as workers' rights to just and favourable working conditions (including fair wages and rights to form and join trade unions, to social security and to family life). The definition of these rights is based on the *International Covenant on Economic, Social and Cultural Rights (ICESCR)*, adopted by the United Nations General Assembly in 1966. Against the background of growing environmental problems and the evolution of the concept of sustainable development one may also add the right to water and sanitation. Gender equality and non-discrimination are taken into account here as cross-cutting principles in the framework of ESRs.

The ICESCR has been signed and ratified by all members of the EU and the SMCs. Yet despite that the *Barcelona Process*, launched in 1995, basically proclaimed to strengthen cooperation and development on the economic, social as well as political levels, the *Barcelona Declaration* and the *Euro-Mediterranean Free Trade*

Agreements (EMAAs) scarcely made reference to ESRs. In the academic realm too, the overwhelming majority of economists and social scientists specializing in Euro-Mediterranean relations haven't paid significant attention to ESRs. Even the "social impact" of economic integration with the EU did not catch the eye of many researchers, although some initially warned about potential risks and negative effects for the SMCs. This is all the more surprising given that even purely theoretical literature always hints at free trade being 'not for free' in the sense that liberalisation of trade, the 'motor' of the Barcelona Process, delivers 'benefits' only when specific preconditions are met while 'gains' are often distributed in a highly uneven manner. In short: liberalisation comes at a price, otherwise known as 'adjustment costs'. The social impact of trade liberalisation mainly relates to its potential effects on income, employment, prices and government revenue and via these channels on poverty and various forms of inequalities.

Beyond the focus on ESRs and the social impact of trade liberalisation, the report also tries to explore recent developments in the contractual frameworks of SMC citizens' migration to and working conditions in EU member countries as well as the latter's evaluation in scientific literature. In terms of economic and social rights this will cover mainly the quality of SMC migrants' integration into EU labour markets and potential gaps between migrants and native employees with respect to wages, risk of unemployment and working conditions including social insurance and protection. In this context it should be emphasized that EU member countries have so far abstained from signing the *International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ICRMW)* which went into force in 2003. Among the SMCs Algeria, Egypt, Libya, Morocco and Syria have ratified the convention, albeit with reservations on different paragraphs. None of the 28 EU member States has ratified it.

2. Trade and Aid for Development? The EU's Mediterranean Policy since 1995

2.1. The Euro-Mediterranean Partnership (EMP)

2.1.1. Regional Approach and Multiple Fields of Cooperation

In November 1995 the EU member countries and twelve south and east Mediterranean partners launched the Euro-Mediterranean Partnership (EMP). The EMP set out to move beyond former initiatives in the framework of EU policy towards 'the Mediterranean' which in previous decades had focused primarily on bilateral trade and economic cooperation with the SMCs. The declaration expanded the traditional fields with a *Political and Security Partnership* (EMP 'basket' 1) and a *Partnership in Social, Cultural and Human Affairs* (basket 3). **For the first time, the EMP adopted a genuine regional approach.** Soon however, the Economic and Financial Partnership (basket 2) came to be known as the essential motor of the EMP. Although the Barcelona Declaration highlighted as targets of basket 2 the "reduction in the development gap in the Euro-Mediterranean region" as well as partners having to "endeavour to mitigate the negative social consequences which may result from this adjustment", no reference was made to ESRs.

The legal basis on which relations were to be built covered the EMAAs, bilateral free trade agreements to be negotiated between the EU and each SMC separately. To assist the process of trade liberalisation and socio-economic reform in the SMCs, the EU set aside significantly enhanced funds from the Union's budget amounting to roughly € 9 billion over the 1995–2006 period, to be disbursed primarily via the MEDA programme in addition to loans by the European Investment Bank (EIB). **It soon became evident however, that the ambitious EMP objectives were difficult to achieve.** Cited reasons for the EMP's slow progress ranged from the stagnating peace process in the Middle East and structural problems of political-decision making inside the EU to a lack of political will on the part of SMC governments to cooperate with the EU.

In addition, one should not discount the complexity of the processes of trade negotiations and conflicting interests, which may have contributed to significant delays to signing and final ratification of the EMAAs.

As a consequence, the creation of a ‘cumulated’ Euro-Mediterranean Free Trade Area (EMFTA) between EU and the SMCs was not achieved as originally planned by 2010. Bilateral free trade agreements (FTAs) have been signed with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority and Tunisia. Given the completion of a minimum 12-year transition period during which customs duties and quantitative restrictions were to be abolished, only the treaties with Tunisia, Morocco, Jordan and Israel have been fully implemented as of 2016.

2.1.2. Main Structure and Contents of Euro-Mediterranean Association Agreement (EMAAs)

Apart from provisions on competition rules and plans for introducing deeper integration measures, most EMAAs resemble rather ‘shallow’ FTAs. With regard to the overall structure, the agreement consists of provisions for all EMP ‘baskets’. Measures of the first basket are covered in the provisions of Title I, which mainly provides for a framework to conduct a regular political dialogue on issues of mutual interest and for cooperation in different areas. The respect for the principles of democracy and human rights are defined in Article 2 as ‘essential elements’ of the treaties. The EMAAs’ provisions on cooperation in the framework of the third and fourth basket, though the latter has been introduced only in 2005, are part of the provisions under Titles VII and VIII (Title VI in most EMAAs). This part focuses heavily on different aspects of migration and/or migrant workers, while the more recently concluded EMAAs (e.g. EU-Egypt, Art. 68, EU-Lebanon-EMAA, Art. 68) make explicit reference to “the prevention and control of illegal immigration”, including a commitment on readmission of “nationals illegally present on the territory” of a EU member state and vice versa.

With respect to social security rights, the EMAAs differ considerably in content and reach. While the agreements with Tunisia, Morocco and Algeria provide for equal treatment of persons legally employed in the EU member countries with respect to a comprehensive list of benefits including the feasibility of accumulation of claims gathered in different countries and their transferability to the home countries, the EMAAs with other SMCs are much more limited. The agreement with Jordan (Article 109) for instance merely speaks of a “dialogue” to be established on these issues. **Labour standards are rarely tackled at all in the EMAAs. They do not make any explicit reference to International Labour Organization (ILO) core labour standards (CLS).** At best the commitment to respecting fundamental human rights in Article 2 of each agreement could, according to some authors¹, be viewed as a link to labour issues referred to in the Universal Declaration of Human Rights.

As regards merchandise trade, the EMAAs call for what is essentially an asymmetrical opening-up of SMC markets to European competition on account of the latter’s duty-free access to EU member country markets for industrial goods since the 1970s. Accordingly, improved market access for SMC industrial exports to the EU could only be expected if additional measures of deeper integration aimed at relaxing barriers ‘behind the border’ had materialised. Preparations for negotiations on sector-specific Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAAs), however, were off to a slow start with Tunisia, Jordan and Morocco, while Israel was able to conclude an ACAA for the pharmaceutical sector. In addition to preparatory ACAA negotiations, Morocco agreed with the Commission to the protection of Geographical Indications (GIs). All EMAAs include an Intellectual Property Rights (IPR) clause that calls for the protection of intellectual, industrial and commercial property rights.

As regards agricultural goods, processed agricultural products and fisheries, the EMAAs offer concessions for selected items, often reduced or zero tariffs in combination with tariff quotas, entry prices and/or seasonal restrictions. **The agricultural protocols attached to the EMAAs call for future gradual liberalisation based on re-negotiated protocols every three to five years.**

Updated agriculture and fishery protocols have been signed as follow-ups to the EMAAs with Jordan (2005), Egypt (2008), Israel (2008), and Morocco (agriculture: 2009, fisheries: 2006 and 2013). Negotiations with Tunisia on new agricultural preferences have been incorporated into the negotiations on the Deep and Comprehensive Free Trade Agreement (DCFTA). The new protocols however, retain the basic principle of 'gradual liberalisation', falling short of offering substantial new preferences, especially with respect to 'sensitive' agricultural goods. The new protocol with Morocco was first rejected by the Agriculture Committee of the European Parliament in July 2011 before it gained the Parliament's approval in a second attempt but only with a strong call to strictly monitor the quotas established as part of the protocol's concessions.

The rights to establishing businesses for goods and services are mentioned in most EMAAs only as a future target, although the treaties with WTO members among the SMCs reconfirm the partners' GATS (General Agreement on Trade in Services) commitments. Jordan committed to granting European investors national or Most Favoured Nation (MFN) treatment - whichever is better - with some exemptions, for instance with respect to branches reserved for government monopolies and/or requiring minimum local ownership. **Although the 2003 Euro-Mediterranean Meeting of Trade Ministers approved the extension of free trade to services and bilateral, negotiations on those issues only started in 2008 with Morocco, Egypt, Tunisia and Israel, without achieving any progress to date. As of May 2016, they have either been put on hold or agreed to becoming part of DCFTA negotiations.** With respect to dispute settlement mechanisms, most of the EMAAs include only short and vague provisions. Following a decision by the European Council in 2006 however, the Commission negotiated more detailed provisions for dispute settlement mechanisms (DSM) as part of separate DSM protocols with some SMCs including Tunisia, Lebanon, Jordan, Morocco and Egypt. Negotiations with Algeria and Palestine are currently on hold.

2.2. The European Neighbourhood Policy (ENP)

Against the backdrop of EU enlargement in 2004, with the European Neighbourhood Policy (ENP) the EU launched a new foreign policy initiative, which initially targeted the Eastern neighbours of the EU. Shortly afterwards, however, the ENP was expanded to include the Southern neighbours as well and the EMP continued to be implemented side by side with the ENP. The main aim of the ENP at the time of its introduction was to enhance prosperity, security and stability in the countries bordering the EU so as "to prevent the emergence of new dividing lines between the enlarged EU and its neighbours".

The ENP basically extends existing contractual relations with the EU, which in the case of the Southern neighbours requires the conclusion of an EMAA. Accordingly only Egypt, Israel, Jordan, Lebanon, Morocco and Tunisia are currently ENP members. The ENP is implemented primarily via so-called action plans (APs). These plans are expected to deliver 'tailor-made' agendas for reform and cooperation in areas such as political dialogue, trade, market and regulatory reform or economic and social development besides cooperation in justice and home affairs or in transport, energy and environment. In addition, they are to serve as reference documents for the financial cooperation extended by the EU to the EU's neighbours in the framework of the European Partnership Instrument (ENPI). APs have been adopted since 2004 for Egypt, Jordan, Lebanon, Morocco, Tunisia and the Palestinian Authority. For the period 2007-2013 the EU has budgeted for grants in the framework of the ENPI worth € 11.2 billion in addition to concessional loans similar in volume administered by the EIB.

The allocation of ENPI funds and the "stake in the internal market" were held out as a prospect. Regarding its coverage however, never really specified in ENPI documents, this was to be based on the principles of "differentiated bilateralism" and "positive conditionality" while the reform agenda would revolve around "joint ownership". Especially the first two principles seem in essence to have been borrowed from the EU enlargement process. Accordingly, **the ENP seems to have opted, much more and more openly than the EMP,**

for liberalisation and market-economic transformation via legislative and regulatory alignment with the EU, albeit without offering full membership to its partners. Unsurprisingly, this ‘enlargement light’ did not provide the adequate framework for tackling the many problems impeding proper implementation of the EMP. Worse still, the ENP backtracked on the EMP’s already watered down regional dimension. In contrast to the Barcelona Declaration, however, the *2004 European Neighbourhood Policy Strategy Paper* and the APs include references – though often in a rather vague form – to gender equality, poverty reduction, employment, labour standards, trade union rights and working conditions as well as the aim of introducing an “enhanced dialogue and co-operation on the social dimension”. It took again, however, several years until the first *Euro-Mediterranean Ministerial Conference on Employment and Labour* was convened in Morocco in November 2008.

2.3. The Union for the Mediterranean (UfM)

In 2008, the EU came up with another initiative, mainly as a reaction to an idea put on the agenda by Nicolas Sarkozy’s election campaign that spurred controversy between France and Germany, among others. The European Commission however, heralded the *Union for the Mediterranean (UfM)* as a “re-launch” of the Barcelona Process, albeit with different tools and in a different institutional setting compared to the EMP. **The UfM’s main aim is to encourage regional cooperation and integration via the joint implementation of regional projects and provision of a “consensus building platform”².**

Many of the projects submitted with the launch of the UfM did not reflect new ideas, seizing instead on some form of initiatives tabled by the European Commission or other actors in previous years. Some argued however that the UfM at least generated “a new dynamic” into the issue of establishing a “genuine social dimension” of the EMP³. The 1st Euro-Mediterranean Employment Conference issued a “Framework of Actions” pursuing this objective⁴. A High Level Working Group on Employment and Labour has been formed as youth

employability and job creation were declared one of the fundamental priorities of the UfM in the framework of “Mediterranean Initiative for Jobs”⁵.

2.4. EU Mediterranean Policy after the Arabellions

2.4.1. ENP 2011: A “New Response to a Changing Neighbourhood”?

The Arab Spring confronted the EU with the “ruins of its policies” towards the Mediterranean partners⁶. Political observers, scholars and ordinary people alike blamed the Union for aggravating rather than helping the SMCs to solve their numerous socio-economic problems seen, along with authoritarian rule and widespread repression, as the most important factors behind the protests⁷.

In addition to the EU’s strong focus on trade liberalisation, many accused the Union’s representatives of having cooperated with authoritarian SMC regimes, serving its own interests in fields like combatting terrorism and ‘curbing’ irregular migration⁸.

In an endeavour to react on the events in the Arab world, the European Commission finally put forward a new review of the ENP and EMP in the spring of 2011. According to the *“New response to a changing Neighbourhood”* future efforts were to concentrate primarily on ways to support “deep and sustainable democracy” in SMCs and to establish a “partnership with societies” via, among others, support for CSOs and dialogue on human rights⁹.

On the economic front, the new ENP strategy identified “sustainable and economic and social development” as the main objective, based on, most promi-

nently, support for “more inclusive growth” and the “development of micro, small and medium-sized companies and job creation”. In order to achieve these goals, it presented the prospect of “new incentives” in terms of the so-called “3Ms” comprising ‘more money’, ‘more market’ and ‘more mobility’¹⁰. These incentives were conditioned on the principle of “more-for-more”, building on, and reinforcing the 2004 ENP principle of *differentiated bilateralism*. **Despite reiterating in some form or another the former ENP 2004 strategy with regard to job creation, poverty reduction, gender equality and strengthening dialogue with civil society, the 2011 ENP strategy “remained embedded in the old prescriptions of free trade and economic liberalisation”¹¹.**

2.4.2. Money: Financial Cooperation in the Framework of European Neighbourhood and Partnership Instrument (ENPI) / European Neighbourhood Instrument (ENI)

The 2011 ENP strategy promised to “re-focus and target foreseen and programmed funds in the ENPI” and to make available additional funds of over € 1 billion for the years 2011-2013 on top of the original ENPI funds amounting to € 5.7 billion for the same period. In addition, the strategy aimed “to mobilize budgetary reinforcement from various sources”, hinting primarily at an enhanced loan portfolio to be offered by the EIB and the enlargement of the mandate of the European Bank for Reconstruction and Development (EBRD) to the SMCs¹². In 2014, the ENPI was substituted by the new *European Neighbourhood Instrument (ENI)* as the new legal framework guiding financial cooperation between the EU and the ENP members. The budget for the 2014-2020 period amounts to € 15.4 billion and is projected to be disbursed primarily through bilateral programmes in addition to multi-country and Cross Border Cooperation (CBC) measures. One of the main principles is “**incentive-based conditionality**” (“**more for more**”), on which funding will be based. In addition, the objectives of the ENI also mention **respect for human rights**. However, this apparently **reinforced differentiated bilateralism** of both the new funding framework

and the planned negotiation of DCFTAs may lead to a fragmented approach of Euro-Mediterranean integration, an “ENP running at different speeds”¹³.

2.4.3. Market: Main Structure and Contents of Proposed Deep and Comprehensive Free Trade Areas

The ‘more market’ incentive concentrates on the prospective conclusion of *Deep and Comprehensive Free Trade Areas*, which are considered as “the key to sustainable economic development and job creation”¹⁴. The Council authorised the Commission to open bilateral negotiations on DCFTAs with Egypt, Jordan, Morocco and Tunisia in late 2011.

Negotiations with Morocco started in the spring of 2013. In mid-2014 however, the Moroccan government asked for the negotiations to be temporarily halted. It wanted first to consult assessments on the potential impact of a DCFTA on the Moroccan economy. In February 2016, Morocco suspended its overall relations with the EU after a General Court judgement partially revoked the new agricultural protocol signed by Morocco and the EU. With Tunisia, negotiations on a DCFTA began in November 2015. Exploratory talks with Egypt took place in 2012 and were followed by the opening of a “dialogue” on the DCFTA in June 2013. Soon after, however, the dialogue came to a halt. With Jordan a “preparatory process” for starting DCFTA negotiations was started in March 2012.

DCFTAs are ‘comprehensive’ in the sense that beyond merchandise trade they cover other sectors such as services, investment and government procurement. In addition, DCFTAs try to reach ‘deeper’ or ‘policy integration’ because they remove restrictions ‘behind-the-border’ via a process of regulatory approximation. The most important difference between a ‘normal’ WTO-plus FTA (signed by the EU with other countries outside the neighbourhood in recent years) and a DCFTA is that the latter requires the partner to adopt the EU *acquis* in fields such as technical standards and Sanitary and Phytosanitary Measures (SPS). Beyond likely prolonged and cumbersome

negotiations and the above mentioned sacrifice of policy space, such measures will not only take long time to be implemented, but are also expected to entail high costs on the part of the partner country. Against this background the question arises what could be the expected benefits luring countries like Morocco or Tunisia into such an agreement?

SMCs are likely interested in better access to European markets through larger concessions for agricultural products, simplified rules of origin and the elimination of other NTBs for both agricultural and manufactured goods besides labour mobility - in short better preferential treatment or at least trade facilitation in those areas where EU negotiators are traditionally the most reluctant. The prospects of the EU accommodating the SMCs' aspirations however, is probably worse than in the case of either the Eastern Partnership (EaP) countries or the Union's global partners outside the neighbourhood. To the EaP countries, the DCFTAs offer substantial new market access because they form their first trade agreements with the EU. In addition, the Eastern partners have the opportunity, if only in the distant future, to become members of the Union, which gives regulatory approximation a somewhat different perspective. As regards liberalisation of temporary movement of labour (known as "Mode 4") one should not invest too much hope in the DCFTAs, as their negotiation is expected to be made part of the mobility partnerships¹⁵.

Regulatory approximation also covers IPRs. In the Ukraine-EU-DCFTA, regulations on IPRs constitute a separate chapter, reflecting an adoption of EU rules in line with the relevant EU directives in this context. Some authors think that DCFTAs with the SMCs will most probably not copy what has been adopted in the agreements with the EaPs, but may include parts of it¹⁶.

With regard to mobility and treatment of migrant workers, the Ukraine-EU-DCFTA affirms national treatment of one party's workers on the territory of the other. Beyond that, the relevant paragraphs in this section mainly point to the arrangements negotiated between the parties in recent years with respect to readmission and visa facilitation. Workers' rights in more general are dealt with in Chapter 21 on *Cooperation on Employment, Social Policy and Equal Op-*

portunities, and Chapter 13 titled *Trade and Sustainable Development*. The rather vague provisions of Chapter 13 mention international conventions including the 2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work, but at the same time emphasise the parties' right to establish their own systems. With respect to the latter, the parties "shall ensure that their legislation provides for high levels of environmental and labour protection". Pursuant to this objective, Ukraine "shall approximate its laws, regulations and administrative practice to the EU *acquis*". Critical voices emphasise, however, that enforcement mechanisms pertaining to the rules of this chapter would be rather weak¹⁷. Chapter 21, on the contrary, includes specific goals to be achieved as regards cooperation in the fields of employment, social protection and equal opportunities for all, including gender equality and engaging civil society and promoting corporate social responsibility (CSR).

2.4.4. Mobility: Framework and Contents of Mobility Partnerships (MPs)

'More mobility' in the 2011 ENP strategy is tightly linked with 'migration' in the sense of, how to best 'manage' or control migration. Migration has always played a role in Euro-Mediterranean relations. Mobility Partnerships were first brought into the discussion as part of a 2007 Communication of the European Commission on "On Circular Migration and Mobility Partnerships". MPs have since been negotiated and signed with Morocco (2013), Tunisia (2014) and Jordan (2014). Egypt, listed in the 2011 ENP strategy as earmarked for an MP, has reportedly turned down EU requests to start a structured dialogue on migration, mobility and security as a prerequisite for the subsequent launching of MP negotiations. With Lebanon a structured dialogue was initiated in late 2014, while Algeria has to date not engaged in a dialogue on Migration and Mobility with the EU.

MPs are non-binding agreements or rather political declarations between a third country and interested or “participating” EU member countries¹⁸. The MPs signed with SMCs closely follow the main “pillars” of the *Global Approach to Migration and Mobility (GAMM)* adopted in November 2011. The “operational priorities” and tools of implementation comprise measures to facilitate legal migration, to control irregular migration, to improve international protection and to strengthen the link between migration and development. The primary interest of the EU seems to be border security and the control of irregular migration.

European concessions with respect to legal labour migration are similar to EU financial assistance offered as a “bargaining chip” for the signing of long-awaited readmission agreements. Such an approach becomes even more questionable when taking into account that the ‘new’ readmission agreements that the European Commission wants to sign on behalf of the EU members with the SMCs commit the “requested State” to readmit, in addition to its own citizens, “third-country nationals or stateless persons who have been found illegally entering, being present or residing in, the requesting State”¹⁹. Moreover, visa facilitations in the framework of the MPs with the SMCs are intended to be granted primarily to certain groups of people such as professionals, scholars, and students, although they would certainly be needed in particular also to provide seasonal and/or semi- and low-skilled employees coming to the EU with better legal protection²⁰. Visa Facilitation Agreements (VFAs), in turn, should not be mixed up with visa-free regimes as part of Visa Liberalisation Action Plans. Taking the VFAs concluded with EaPs in recent years as examples, they offer only to simplify the bureaucratic procedures for issuing visas and only for short stays in Europe.

In sum, the mobility partnerships with the SMCs signed to date impose “a heavy burden on the Mediterranean countries in terms of readmission, border management and migration control”...while they “provide little in terms of facilitating labour migration”²¹. Measures with regard to ESRs of SMC migrants residing in the EU are mentioned in the MPs with Morocco and Tunisia only briefly, limited to the issue of portability of social security benefits. The MP with Jordan does

not include any of those issues. To allow for a more credible or better “balanced manner” of implementing the MPs, what seems to be needed most is a genuine European labour migration policy instead of the current extremely selective approaches mainly driven by EU member country security concerns²².

No less dubious than the EU’s drive to externalise its migration and border management to third-countries is apparently the widely propagated link between migration and development emphasized most prominently in the GAMM 2011. For some years this link has ostensibly served as a new or rather additional frame of EU Migration Policy that tries to portray the ‘mutual benefits’ of (regular) migration side by side with the ‘security concerns’ of the EU and/or those the EU shares with the partners around the Mediterranean regarding irregular migration.

Finally, there is a highly controversial debate about the perceived ‘triple-Wins’ of *circular migration* for both migrant-sending and ‘host’ countries, which forms the central concept behind the EU’s new discursive frame but which is regarded by many observers as nothing but a new name, depending on the exact definition, for the rather old story of *temporary migration*.

2.5. ENP 2015: Stability and Crises Management

After an extensive review and consultation process with different stakeholders including also non-governmental institutions, in late 2015 the Commission presented an additional update of the ENP strategy, its main objectives and instruments. **The 2015 Review of the European Neighbourhood Policy declares stabilisation on different fronts, ranging from terrorism over poverty and youth unemployment to migration and refugees, as its primary targets.** For this purpose the ENP 2015 suggests focusing on cooperation on different fields including security, migration and mobility as well as “economic development for stabilisation” with the latter making reference to inclusive growth and social development. As basic concepts guiding future cooperation with the

EU's neighbours, the ENP 2015 takes up the *cause of differentiation* and *mutual ownership*. Despite *differentiation* featuring prominently in earlier versions of ENP strategies, the 2015 ENP acknowledges “that not all partners aspire to EU rules and standards”. However, ***differentiation* apparently goes only as far as splitting between a ‘DCFTA club’ and other countries not ‘willing’ or ‘prepared’ to commit themselves to the long and costly process of alignment with the EU *acquis***. As a result, the 2015 ENP somehow adheres to the ‘enlargement light’ banner of the 2011 ENP, albeit limited, as far as SMCs are concerned, to Morocco and Tunisia. For the rest of ENP members, “attractive and realistic alternatives to promoting integration” are suggested including the negotiation of ACAAs. Finally, as far as the “regional dimension” is concerned, the ENP 2015 sees chances for its strengthening via different tools such as sub-regional cooperation and “thematic frameworks” which may also “involve other regional actors, beyond the neighbourhood”, while the UfM apparently features as a supporting actor at best. In essence, therefore, the ENP Review 2015 stops short of something that could be called a genuine revision or reboot of the EU neighbourhood policy²³.

3. Evolution of Economic and Financial Relations between the EU and the South Mediterranean Countries (SMCs)

3.1. Chances and Risks of Hub-and-spokes Bilateralism

A free trade area (FTA) or customs union (CU) may offer, theoretically, a number of benefits to its members given the fulfilment of several pre-conditions. They include trade creation and specialisation, economies of scale and scope, increased competition and efficiency as well as stimulating investment, transfers of technology and learning effects, in addition to so-called 'non-traditional' effects such as securing market access and locking-in economic reform.

Whereas most benefits and in particular dynamic effects, however, can be expected to materialise, if at all, only in the medium or longer term, *adjustment costs* accrue mainly in the short term or initial phase of integration. Besides a potential loss of income and employment in those parts of the economy where local firms are not able to cope with increased competition, another negative effect is linked to the loss of tariff revenues. Depending on their magnitude, they may force governments to increase taxes or introduce not readily available other forms of income, hence driving government budgets into higher deficits. 'Benefits' such as better access to the FTA partners' market, increasing foreign direct investments (FDI) inflows and enhanced technical and financial aid are potentially outweighed by large adjustment costs. To make things worse, negative effects can even lead to de-industrialisation, specifically in combination with location effects of integration. Regional integration seems to lead almost inevitably to the clustering of economic activity in the industrial centres of the North. These risks are expected to be particularly high in case of bilateral Hub-and-spoke agreements, in other words, when liberalisation does not extend to trade among the spokes.

In a Hub-and-spokes system, the members will realise less collective income gain from trade liberalisation than in a genuine FTA, and the hub will attain a larger share of the smaller total income. The spokes, in return, would be confronted with several disadvantages, among them the risk of trade and investment diversion and their marginalising effects on the

spokes. This is because companies located in the hub enjoy “extra” privileges compared to firms operating in the spokes. The privileges include first of all the hub’s duty-free access to the markets of all the spokes whereas exports by companies located in the spokes still face restrictions in access to the markets of the other spokes. Secondly, only companies located in the hub enjoy the benefit of duty-free imports from all the spokes. Third, MFN tariffs applied by the hub on inputs originating in third countries are in many cases lower than those in the spokes. In addition, *rules of origin* agreed to in the framework of bilateral hub-and-spoke FTAs matter too. With all these factors or extra-privileges at work, potential cost advantages of production in the spokes may fully erode and as a result their ability to attract investment²⁴.

3.2. Merchandise Trade of the SMCs with the EU

Trade liberalisation and opening-up of SMC economies are in lockstep with global trends of the past 10 to 15 years. Most of the countries acceded to the WTO, and all SMCs signed a varying number of regional and/or bilateral trade agreements. In addition, most countries have made efforts to reduce barriers to trade, specifically customs duties, also unilaterally. Average customs duties on industrial goods in Mediterranean partner countries declined from 28% in 1992 to 7% in 2009. In the SMCs however high tariffs remain in the agricultural goods trade. Moreover, different NTBs impede trade with and of SMCs, specifically with developed partners such as the EU²⁵.

Despite the signature and entry-into-force of the EMAAs, concrete gains have been limited so far. This is attributed to different reasons, including delayed implementation of tariff reductions, meagre new concessions for agricultural produce, rising erosion of SMCs’ preferential access to EU markets, the widespread use of NTBs and “inappropriate” specialization in exports on the part of the SMCs²⁶.

The SMCs have enjoyed duty-free access for their industrial goods since the 1970s. While exports to the EU did not stagnate, **SMCs exports to other countries’ markets recorded a higher growth since the beginning of the 2000s.** Therefore, the share of the EU as a destination for SMC goods declined even in Tunisia and Morocco. For the Maghreb countries the EU nevertheless remains the most important trade partner. Consequently they are still highly dependent on the EU market, which leaves them vulnerable to external shocks. For Egyptian exporters however, the Union’s market has apparently lost traction in recent years, while for Lebanon and specifically Jordan it has never played a large role²⁷.

SMCs imports from the EU increased significantly and to a larger extent than exports in recent years due to the dismantling of tariffs towards European goods in the framework of the EMAAs. Accordingly, most of the SMCs except Algeria recorded a rising deficit in trade with the EU. Despite growing import volumes however, the EU share in total SMC imports either remained as before or declined as in the case of Morocco and Tunisia.

Accordingly, **the EU seems to be constantly losing ground in its Southern Neighbourhood to other external ‘partners’ including other Middle East and North African (MENA) countries and, most importantly, Asian countries, the United States (US) as well as the BRICS**²⁸. Moreover, the SMCs’ share in the EU market for industrial as well as agricultural goods has remained more or less constant for years. Thus it is evident that despite their proximity to the EU market, the SMCs are far from featuring as prominent partners in the EU’s external trade²⁹.

EU imports of **agricultural goods** originating in the SMCs form only a relatively small portion of EU total agricultural imports. This comes as no surprise when reminding that as part of the EMAAs and the following updates of the agricultural protocols signed with the SMCs, the EU refused to grant the latter more substantial preferences. Both Morocco and Tunisia even saw their share in EU agricultural imports decline. On the other hand, EU agricultural exports to the SMCs increased heavily in recent years contributing to an ever growing trade

deficit in EU-MED agricultural trade on the part of the SMCs. Despite growing exports, EU member countries however also lost market shares in the SMCs where other suppliers including the US besides Russia and Latin American countries gained in importance.

In SMC exports to the EU **primary goods**, specifically petroleum and natural gas still play a large role. However, there are large differences among the SMCs. While Algeria sells almost exclusively primary products on the EU market, Tunisia finds itself on the higher end of the 'diversification' ladder, mainly exporting manufactured goods. Overall, however, the rather asymmetric and inter-industry structure of trade between the SMCs and the EU remains in place. In contrast, SMCs increasingly send higher value-added goods and also agricultural produce to either their neighbours in the Arab region or the rest of the world.

Regarding trends of income convergence with the EU, the SMCs were able to achieve only minor progress if at all. In light of the *Arabellions*, the picture has likely become bleaker still. Moreover, the modest progress in income convergence achieved by countries such as Tunisia can hardly be attributed to trade liberalisation and economic integration with the EU. Other factors would have pushed growth and convergence including R&D and education. The only instrument where the EMP seems to have contributed at least indirectly is loans offered by the EIB. In contrast, specialisation of SMC exports on primarily low-value added goods such as textiles, basic chemicals and fuel products would have negatively affected the process of convergence.

3.3. Trade and Integration among the SMCs

As mentioned in section 3.1, to contain the emergence and/or deepening of a hub and spokes system it is necessary that 'the spokes' liberalise trade among each other too. To pursue this objective, Arab countries have started several initiatives in recent years on the bilateral, sub-regional and regional levels. Intra-regional trade has increased considerably since the end of the 1990s. There is wide agreement in the literature that the implementation of the Greater Arab Free Trade Area (GAFTA), initiated in 1998, has contributed to this increase in trade among the countries of the region, while the Agadir Agreement due to its modest size among other aspects may have a limited potential. One also notes the stark differences among participating countries regarding the role of intra-regional exchanges in total trade of the SMCs.

Representatives of the European Commission have always been keen to emphasise that the SMCs need to 'complement' integration with the EU with trade integration among them. In addition, the EU provided technical and financial assistance to the introduction and establishment of the Agadir Agreement among Egypt, Jordan, Morocco and Tunisia, implemented in 2007.

The crucial question is the extent of what a 'parallel' and geographically limited agreement among spokes can offer. Although this question can't be elaborated in detail here, suffice it to say that **the EU's efforts to promote the Agadir Agreement and its adoption of the Pan-Euro-Mediterranean Rules of Origin seem to have further complicated negotiation and implementation of intra-regional measures of trade liberalisation, rather than supporting the SMCs to overcome the many obstacles of intra-regional integration.** Rather, the Commission imposed its own concept of 'region-ness'³⁰ on the SMCs, which however excludes the Gulf economies and other non-SMC members of GAFTA.

3.4. Foreign Direct Investment (FDI) inflows to the SMCs

During the 2000s, many of the SMCs witnessed substantial progress in global integration in terms of investment. **Stimulating foreign direct investments is regarded as one, if not the most, important force driving specifically developing economies to conclude FTAs with large or highly industrialised partners.** FDI as a share of gross domestic product (GDP), registered in some years during the 2000s, a record high propelling MENA countries to the head of the list of economies attracting FDI. There are however large differences among the SMCs. Secondly, FDI inflows originated in most cases mainly in countries or regions other than the EU and primarily the members of the Gulf Cooperation Council (GCC). As GCC investment primarily focused on real estate, tourism and other services or the energy sector, traditionally attracting most foreign investment, it is hard to imagine that this type of FDI accrues from trade liberalisation with the EU. On the contrary, FDI inflows to Tunisia for example are said to have been able to 'stabilise' on a relatively high level primarily due to privatisations, while new taxes for exporting companies combined with the erosion of Tunisian preferences against the background of EU enlargement would have deterred new investors³¹. Thirdly, when in mid-2008 oil prices plummeted, FDI flows decreased in lockstep. They later remained subdued in some countries due to the *Arabellions* and/or their problematic consequences, for example in Egypt.

3.5. Workers' Remittances in SMCs

Most of the SMCs are highly dependent on labour migration and remittances. In volume and as a share of GDP remittances often vastly outpace inflows of FDI, foreign aid or even export incomes. Even more so than trade or FDI, however, labour migration and remittances reflect for some of the SMCs, specifically Egypt and Jordan, the most important element of the decades-old system

of re-distribution of oil revenue among Arab rentier and semi-rentier states. Hence in 2012, remittances of Egyptian and Jordanian workers abroad mainly originated in other Arab countries.

Moroccan and Tunisian migrants, however, still mainly target EU member countries, despite the phenomenon of 'securitisation' and the highly restrictive regulatory framework prevalent in the EU in recent years. Accordingly, **remittances are another example highlighting the evident 'divide' or significantly heterogeneous picture of intra and inter-regional dependencies of the SMCs.** Though Tunisia, as regards remittances and, most importantly FDI, seems to have slowly but constantly 'emancipated' itself in the last years from its traditionally strong economic dependency on Europe.

3.6. Aid and Cooperation between the EU and the SMCs

One of the essential elements of both the EMP and ENP is constituted by a rather elaborate framework of financial cooperation between the EU and its partners in the Mediterranean. As part of both MEDA and ENPI, the Union made available substantial amounts to support their cooperation with the SMCs. **Regarding the volumes of aid offered to the SMCs in per capita terms in many cases and specifically the countries with larger populations such as Egypt and Morocco, EU financial assistance is scarcely more than a drop in the proverbial bucket.** Development cooperation is one policy field inside the EU where the Union's institutions and EU member countries share competencies. This means that additional assistance is provided by EU member countries to the SMCs on the bilateral level, often even surpassing EU multilateral grants and loans in volume. On the other hand, this system creates problems with coherence and potential doubling of bilateral and multilateral programmes.

Worse still, loans seem to play an increasing role in EU-SMC development cooperation, adding to 'dependency' on the EU because loans have to be paid back. Moreover, it has been mentioned in previous sections that assistance provided in the framework of MEDA and ENPI has mainly been aimed at assisting reforms in the SMCs and as part of the implementation of the EMAAs. **Sufficient financial cushioning of the costs of adjustment produced by trade liberalisation with the EU has neither been planned nor would it have been feasible in the framework of the funds made available by the EU and its member countries.** Finally, the numbers available give the impression that specifically with the 2011 ENP revision an increasing trend of differentiation is emerging where **grants and funds are primarily allocated to those countries which are now linked to the EU in the framework of an "advanced status" (Morocco and Jordan) or "privileged partnership" (Tunisia) while Lebanon and Jordan have received substantial amounts in recent years with an eye to stemming the refugee crisis and other effects of the war in Syria.**

4. How do Trade and Financial Relations with the EU affect Economic and Social Rights of SMCs' Citizens? A Literature Review

4.1. Social Impact of the EMAAs

4.1.1. Income and Employment in the SMCs

As mentioned in the introduction, the 'social impact' of trade liberalisation mainly relates to its potential effects on income, employment, prices and government revenues, and via these channels on poverty and various forms of inequalities.

Although some economists on both sides of the Mediterranean had cautioned against the risks and potential negative effects of the EMAAs in the first years after the launch of the Barcelona process, detailed elaboration of the distributional effects seem for a long time to have attracted only minor attention. This apparently changed, at least to a certain extent, with the publication of the *Sustainability Impact Assessment (SIA)* of the Euro-Mediterranean FTA in 2007³². The SIA-EMFTA projected social impacts "that may be significantly adverse unless effective mitigating action is taken" including growing pressure on employment and wages with knock-on effects on poverty and inequality, diminishing government revenue, increasing vulnerability and environmental effects such as an increase in pollution and pressure on water resources.

Economic research on Euro-Mediterranean relations and specifically the EMAAs are traditionally dominated by those aiming to explore trade potential and assess effects of the dismantling of tariffs and other barriers on trade, often using so-called gravity model approaches³³. Even more prominent were and still are those studies which seek to quantify the impact of liberalisation on trade, growth and welfare based on computable general equilibrium models (CGE). The latter methodology also allows the simulation of effects of trade liberalisation scenarios on production and income. The coverage of those studies, however, varies widely depending on model specifications and available data³⁴.

While in recent years, ex-ante analysis of the impact of trade liberalisation on the basis of CGE models has been increasingly criticised, calling into question their predictive power, ex-post assessments remain rare and focusing on trade effects³⁵. Nevertheless, already in the years prior to the *Arabellions*, the effects of trade liberalisation on **labour and employment**, particularly those linked to poverty and inequality, started to attract more substantial attention in economic research on the SMCs.

The studies focusing on labour and employment take a detailed look on the structure of labour markets in the SMCs and their distortions so as to evaluate how liberalisation and structural adjustment may have contributed to mitigating or aggravating existing weaknesses and inequality. Most of the studies come to the conclusion that, while not necessarily resulting in higher unemployment, the economic opening hasn't improved job creation. Moreover, increased pressure on industries and labour markets seems to have contributed to a widening of existing wage gaps. Almost all studies, however, took trade liberalisation in general as a point of departure. In other words, they did not or rarely analyse the impact of the EMAAs specifically. Most of the studies concentrated on one or a few countries only, in most cases Tunisia, Morocco and/or Egypt, arguably due to a lack of large data from other countries. Another reason may have been that those countries, at least Tunisia and Morocco, where the first to sign EMAAs with the EU.

The SIA-EMFTA 2007 identified negative net-effects of trade liberalisation with the EU on rural employment in the short term, albeit without exercising a significant effect on overall employment in SMCs. In the longer term, however, and specifically without accompanying measures to promote "integrated rural-urban development", adverse effects on both rural and urban employment would need to be expected, along with a downward pressure on wages. In addition, as women make up a large part of the rural workforce, the expected transition from traditional farming to agribusiness is likely to negatively affect women in particular³⁶.

Studies trying to assess the effects outlined by the SIA-EMFTA 2007 in the field of agriculture are rare. A possible reason for this may be the limited liberalisation of trade in agricultural goods between the EU and the SMCs (see section 2.1.2). Accordingly, most of the literature published in recent years seems to have focused instead on agricultural development and agricultural policies in the SMCs in a broader perspective and referring most prominently to sustainable development including the limits imposed on agricultural production by scarce natural resources and climate change³⁷. The literature concentrating on Euro-Mediterranean relations in turn mainly investigates the evolution of trade in agricultural produce, processed foodstuffs and fisheries between the EU and the SMCs as well as the diverse trade barriers restricting inter- and intra-regional trade and the range of concessions granted as part of the agricultural protocols³⁸.

According to the SIA-EMFTA 2007 report the expected transition from traditional farming to agribusiness would likely affect women in particular simply because women make up a large part of the rural workforce. With around 60% in Morocco and about 50% in Egypt, more women are employed in agriculture relative to their participation in overall employment³⁹. In most cases however they do not own the land they are working on, they have less access to physical, human and financial resources than their male counterparts, and often work in precarious conditions. It comes as no surprise that the work of women in agriculture is rarely valorised in an appropriate manner. Statistical data on the status of rural women is often lacking, while scientific studies and analyses are overwhelmingly non-gender based.

Accordingly, **there seem to be almost no studies trying to assess the impact of trade liberalisation, in general or in the framework of the EMAAs, on income and employment of rural women.** Female employment in the SMCs is only rarely looked at in the framework of analysing the effects of economic opening on wages and employment⁴⁰. Specifically during the last 5 to 10 years a number of studies have explored the situation of women in the SMC labour markets, including widespread discrimination against them regarding access to jobs and inferior wages⁴¹. Most of these studies however, do not go into much detail, cover only some countries, or are in need of an update.

Some studies also discuss **the expected impact of liberalisation of EU-Med agricultural trade on European farmers**. Earlier as well as more recent studies in most cases come to the conclusion that even if European imports increased significantly, these effects would not significantly affect prices and sales inside the EU. Negative repercussions would mainly fall on European producers of typically 'Mediterranean' goods such as specific fruits, vegetables and olive oil. What could be of concern is that adverse effects, however limited, may primarily affect regions in Southern Europe that belong to the least advanced areas⁴². As a result, compensating those who are expected to lose may become necessary. Some authors on the other hand recommend, that South-European farmers see competition as an opportunity to improve their productivity and quality⁴³.

Beyond the effects of economic opening on employment and wages **there are few studies simulating or assessing the impact of trade liberalisation with the EU in SMCs on government revenues**. The SIA-EMFTA predicted a loss of revenue due to the elimination of tariffs on industrial goods in the range of 5% of GDP in the case of Lebanon, 2.4% of GDP in Tunisia and 2.0% in Morocco. A recent report on Tunisia points to a decline in tariff revenues from around 4.6% of GDP in 1995 to around 1% of GDP in the years since 2007 or 4% of total government revenues⁴⁴. The sharp fall in tariff revenues would have created an average yearly income loss of about 2.9% of GDP since the implementation of the EMAA while financial assistance via MEDA and EIB loans would not have surpassed around 0.6% of GDP annually. Tariff revenue losses would have mainly been compensated by other taxes and revenue reforms including VAT extension and improvements in tax collection. What is not known, however, is how these new taxes affected income and purchasing power of consumers and workers in Tunisia and what kind of impact they generated for Tunisian companies. New taxes on exporting firms may have discouraged investment. It would of course be important to know how the dismantling of tariffs progressed in other SMCs, how large are the losses in government revenues and with what kind of measures these have been compensated, as well as how these measures affected ESRs of SMC citizens.

4.1.2. Poverty and Inequality

The SIA-EMFTA 2007 projected a short-term negative impact on poverty as a result of trade liberalisation in both industrial and agricultural goods, in particular if no "mitigating actions" are taken in the SMCs. While consumers in both urban and rural areas may benefit from lower prices for foodstuffs and other consumer goods, which potentially helps to mitigate poverty, accompanying adjustment in industrial as well as agricultural production must be expected to put pressure on employment and farmers' income, hence increasing poverty. Even in the longer term, poverty will only be diminished if better paid urban employment is able to compensate for the jobs lost in agriculture and those industrial branches that can't survive. Inequality is expected to increase between social strata, but also along gender lines.

Case studies aimed at analysing the **impact of liberalisation on poverty and inequality**, similar to those mentioned in the previous section, mostly looked at economic opening and adjustment in a broader sense, and not the implementation of the EMAAs in specific. Finally, and despite more recent studies often referring to the concept of *inclusive growth*, dissociating themselves to some extent from the traditional growth and efficiency as the best long-term 'weapon' to combat poverty or pro-poor growth strategies, they apparently do not link up with the debate on ESR.

One study for example investigated the relationship between openness, growth and poverty from a regional perspective, and found that trade liberalisation would exert a positive impact on poverty via its overall impact on growth. Apart from the indirect positive effect, however, the authors concluded that openness had a negative impact on the income of the poor in MENA countries, mainly in the rural areas⁴⁵.

Another group of studies simulated the impact of different scenarios of a unilateral opening of the Tunisian economy, including the elimination of Tunisian tariffs on imports of both industrial as well as agricultural goods from the EU. The authors make clear that the impact of trade liberalisation on agricultural

prices and the effects of the latter on poverty are ambiguous. They may differ substantially from one country to another and inside countries between urban and rural levels or even sub-regions depending largely on the extent and form of domestic protection⁴⁶.

A rare ex-post assessment of the EMAA's impact on the **Tunisian economy** pointed that overall poverty would have continued to decline after implementation. It also indicates however that inequality, primarily between urban and rural households, would have risen because rural poverty increased as a result of falling producer prices⁴⁷. Overall, poverty Tunisia seems to be much less of a problem than in Morocco or Egypt. Regional inequalities inside Tunisia persist however, with a poverty rate of around 13% in Tunis or less in coastal areas, while governorates such as Sidi Bouzid, arguably the starting point of the *Arabellions*, recorded a rate of above 40% of people living in poverty in 2011⁴⁸. Overall, poverty and inequality in the SMCs is characterized by two different forms of poverty; rural poverty linked to a lack of basic facilities, and urban poverty linked to a lack of job opportunities.

4.1.3. Potential Effects of the Proposed DCFTAs

It might be appropriate to take a closer look at the trade sustainability impact assessments (TSIA) of the DCFTAs currently in negotiation with Tunisia and Morocco. Based on CGE modelling simulations, the TSIA's project the Tunisian economy to realise an overall long-term annual GDP increase of 7.4% and the Moroccan economy an increase of 1.6% of GDP. In both cases purchasing power would be enhanced as a result of rising wages, although the latter "may in part be due to job creation rather than wage increases given the unemployment in the country"⁴⁹. As regards the expected 'social impact' of the DCFTAs, social indicators are discussed in detail as part of the overall reports and specifically in a separate chapter on "additional social analysis" that also includes a subchapter on human rights⁵⁰.

Some sectors of the Tunisian economy may suffer substantial income losses, particularly those employing a large part of the workforce. As a consequence, many people currently employed in those sectors may lose their jobs. If these people, as well as the capital and know-how, can successfully be 're-allocated' to other sectors theoretically benefiting from liberalisation, is all but clear and likely depends on a variety of national policy decisions facilitating such a transition. It is hence a little surprising that the report foresees an overall and unqualified reduction in poverty. Rising consumer prices, however limited, may reduce Tunisian citizens' purchasing power, with more people slipping below the national poverty line, particularly the unemployed who don't benefit from the expected wages increases⁵¹.

Taking a closer look on the basic assumptions of the modelling exercise one may ask in addition if it is justified to start from significantly rising exports incomes in the Tunisian fruits, vegetables and olive oil sectors expected to materialize as a result of a dismantling of EU tariffs⁵². The latter, however, is far from guaranteed as new agricultural preferences will most probably turn out to be one of the hardest-fought issues of DCFTA negotiations between the EU and Tunisia.

Finally, the report clearly emphasizes that the "expected impact of the DCFTA ... is based on the assumption of effective regulatory approximation, in areas like SPS and Technical Barriers to Trade (TBT)"⁵³. In the Tunisian case "half of overall income gains" projected by the report could be attributed to the dismantling of these restrictions⁵⁴.

In the case of the DCFTA with Morocco the expected positive impact of regulatory approximation is apparently the only source of 'gains'⁵⁵. Whether "effective regulatory approximation" will happen primarily depends on the outcome of the DCFTA negotiations, which, if they are able to offer the benefits ascribed to them in the TSIA simulations, will lead directly to one of the most controversial issues in the debate about DCFTAs. **The sort of legislative approximation in a DCFTA could be described as 'one-sided' in the sense that the partner country is required to adopt the EU acquis in the relevant fields.** By doing

so, they force local economic actors to comply with EU standards in their own markets. Applying EU standards in these countries would almost inevitably lead to trade diversion and rising domestic prices, which may contribute to driving local companies out of the market altogether or into the informal economy⁵⁶. Moreover, the switch to European standards might not bode well with SMCs strategies to diversify trade partners. Governments of partner countries partly lose the right to define rules and regulations on their own thus diminishing their policy space in regulating the economy⁵⁷.

4.2. Impact of EMAs on ESRs

4.2.1. Labour Standards, Job Quality and Social Protection in the SMCs

As noted in section 2.1.2, labour standards are rarely tackled in the EMAs' provisions. The latter do not make any explicit reference to ILO Core Labour Standards.

One rare study took a look at **labour standards** with respect to social security, medical insurance, issuance of contracts, paid casual and sick leave and trade union membership. It found that most of these have been seriously curtailed in the course of increased export orientation in Egypt⁵⁸. A few other studies hint at the deterioration of job quality associated primarily with growing informal employment and fostered by, among others, export specialisation in low-cost goods and ineffectiveness of labour market regulations⁵⁹. In addition, a number of studies have been compiled in Euro-Mediterranean scholarly networks in recent years that explore the situation of labour markets in the SMCs in addition to domestic labour market policies and social protection⁶⁰.

Other studies have focussed more directly on the situation of **female employment** investigating the widespread discrimination regarding access of women to jobs, male-female wage gaps and working conditions of women⁶¹. These and other studies emphasise the often large gap within and between national legal systems and international commitments as well as between legal provisions and their practical application⁶². Aside from lacking coherence between or downright undermining of legal provisions protecting female employees by existing family laws, this aspect primarily relates to the apparent discrepancy between ratification and practical application of essential ILO conventions.

A report edited by Samir Aita in 2008⁶³ is probably still the only comparative study bringing together the opinions of scholars from all around the Southern Mediterranean, elaborating in detail the challenges SMC labour markets are facing in addition to discussing labour rights and policies. According to this report, the assessment of the impact of the EMAs on Euro-Mediterranean relations has been a difficult task due to different factors including the fact "that social questions, and employment in particular, were not part of the initial priorities of the Euro-Mediterranean partnership" and the "scarcity of economic impact studies".

4.2.2. Social Protection and Conditions of Work of SMC Migrants in the EU

Worker migration and remittances constitute an important 'safety valve'. The former contributes to relieve pressure on domestic labour markets, while the latter keep private households afloat, and in many cases above the poverty line. Migration and remittances however, may also create negative consequences. Money transfers can cause inflation or, when contributing primarily to consumption of imported goods, negatively affect the trade balance of the receiving country. Conversely, the brain drain of talented young people can leave a small developing economy trapped in a so-called "Remittance Dependency Cycle"⁶⁴.

A growing number of studies have elaborated on the patterns, determinants and future prospects of migration as well as on **remittance flows** and their impact on trade, growth and employment with a specific focus on poverty and inequality⁶⁵. In addition, academic research increasingly focuses on **return migration**, its determinants and impact combined with recommendations on what would be required to contain potential negative externalities such as a brain drain in the sending country while fostering the potential benefits of ‘circular migration’⁶⁶.

When it comes to the enjoyment of human, social and economic rights of SMC migrants in the member countries of the EU, there is apparently a lack of in-depth academic research trying to assess **SMC migrants’ integration into EU labour markets** including access to work and working conditions, access to social security and portability of benefits or access to health, education and citizenship. In most cases, studies dealing with working conditions of migrants in the EU do not distinguish between migrants’ countries of origin or between intra-EU migrants and those entering the EU from outside. They often confirm that, compared to native employees, migrants on average receive lower wages and are exposed to a higher risk of unemployment⁶⁷. The legal framework for and practical access to the labour market would also differ considerably among EU member countries despite the existence of diverse EU Directives. Different legal frameworks for and access to health care for migrants among EU member countries are a particularly severe problem for “undocumented” or “irregular” migrants⁶⁸. Moreover, with respect to working conditions, migrant workers in many cases have to cope with high risks of injury or hazardous jobs in construction, mining, or other dangerous professions. Even though they often enjoyed a higher education status than their native counterparts, migrant workers would “tend to be segregated in unskilled occupations” or “low-paid jobs”⁶⁹.

The latter aspect seems to apply in an even more pronounced manner to **female migrants**⁷⁰. They would predominately be employed in household and other services or agriculture where precarious working conditions are often tantamount to exploitation⁷¹. One of the rare works with a specific gender

perspective on mobility and a focus on the European Neighbourhood points to the reasons behind the growing “feminisation” of migration: deteriorating situations of women in their home countries, the predominance of family reunification as justification for visa extension, and questionable bilateral labour mobility arrangements between governments. Schemes such as the one introduced for immigration of Moroccan women to work as fruit pickers on a seasonal basis in Spain when they fulfil the criteria of being 18 to 40 years old and have children would contribute “to perpetuate a process of ‘racialising’ and gendering, where migrant women are an easily exploitable workforce, forced into a transnational market of cheap flexible work”⁷².

One topic discussed in the literature is that migrant workers in the EU are faced with non-transparency of differing country-specific regulations and precarious rights when moving between different EU countries⁷³. Due to the **lack of cooperation inside the EU in developing a common external approach**, third countries would often depend on bilateral social security agreements with individual EU member countries.

Anchoring national treatment in the EMAAs, in turn, does not necessarily imply that agencies in EU member countries readily and/or fully accept migrant workers’ claims on social benefits. The attempts of many governments to restrict access to national social security systems becomes evident when taking a closer look at cases brought to national courts in the EU in recent years by migrants from North African countries striving to enforce their social security rights⁷⁴.

In 2010 the Council issued decisions with the aim of a better coordination of social security systems with selected third countries including Algeria, Morocco and Tunisia. In case the new decisions overlap with already existing bilateral agreements, the latter shall still apply when offering better treatment⁷⁵. How this new form of coordination will work specifically in parallel with the many bilateral agreements, and if and to what extent it may finally help to further strengthen migrants’ rights could be an important topic to look at in future research.

4.2.3. Standard of Living in the SMCs

The right to an adequate standard of living includes different elements such as the right to adequate food, housing and clothes to which one may add in a broader sense and linked to the sustainable development concept also the right to water and sanitation. Apart from income, employment and poverty and their impact on the standard of living, trade liberalisation in the framework of the EMAAs could have affected the right to education and, as an element of social protection, also the right to health. **The SIA-EMFTA report warned that the losses in government revenues may in the end exert a negative impact on government expenses for health and education if there are not enough possibilities to compensate for the losses by other means.** As mentioned in previous sections, there are, however, only rare hints in the literature on the volume of these losses and if and how they have been compensated for in the budgets of the SMCs. Even less has been investigated as to what extent budget revenue losses in the end have led to cuts in public expenses for health and education.

One study analysed **social cohesion policies** with a focus on health and education, proposing it as an alternative concept to foster convergence between the SMCs and the EU and raised an interesting point by noting that climate change would affect human health both directly and indirectly⁷⁶. Such an approach could also be applied to the impact of the EMAAs or Euro-Mediterranean relations in general. In other words, and far beyond the impact of trade liberalisation on public budgets, one may try to assess its effects on human health in the SMCs or even both sides of the Mediterranean, via different channels such as pollution, water stress or food safety.

Probably in some part linked to the hitherto rather limited liberalisation of agricultural trade, ex-post assessments are rare, focusing primarily on effects of industrial trade liberalisation⁷⁷. Most studies published on **environmental issues** in recent years in Euro-Mediterranean economics and agronomics have rather focused on simulating future scenarios, managing the adaptation to climate change and the latter's impact on water resources, biodiversity,

agricultural production in general or even tourism⁷⁸. On the other hand, the **literature on agricultural development and policies** seems to have increasingly drawn attention to the multiple challenges of sustainable development⁷⁹ in addition to issues of food safety and food security, social responsibility in agriculture and food distribution⁸⁰. Some of these reports warn about the potential negative externalities of continued liberalisation and specialisation in agricultural trade, not only on biodiversity and water resources but also in terms of crowding out traditional farming systems and Mediterranean diets due to an increased import of “Northern consumer habits, production processes and mobility patterns”⁸¹. At the same time, a growing interest seems to have emerged in the international and human rights literature, for example, in exploring **international trade and the right to food**⁸². Although the literature on sustainable agriculture, food safety and related issues increasingly referred to ESRs in some form or another, a stronger interlinking of both strands of literature would surely benefit both sides.

4.2.4. Potential Effects of the Proposed DCFTAs

The TSIA's of the DCFTAs with Tunisia and Morocco include separate chapters on an “Additional Social Analysis” and an “Additional Environmental Analysis”⁸³. The chapter on social impact also covers an in-depth analysis of the human rights situation, including ESRs in the concerned country and an analysis of the **DCFTA's potential effects on human rights and their enforcement**. Moreover, the discussion in the social analysis chapter follows the structure of the four main pillars of the ILO's Decent Work Agenda plus gender equality as a crosscutting issue.

The ‘results’ of the analysis or rather vague suggestions what could happen if a DCFTA with Tunisia entered into force, seem to depend primarily on the of yet unknown scope of provisions anchored in the DCFTA text on issues such as labour rights or social protection. With respect to labour rights, their potential strengthening is currently beyond the adaptive processes via harmonisation of product standards based primarily on the inclusion of a Trade and Sustainable Development Chapter, which should “help prevent a race to the bottom”⁸⁴.

To mitigate pressure on labour standards Tunisia should, following the TSIA report’s recommendations, make commitments in and outside the framework of the DCFTA with respect to the implementation of relevant ILO conventions and adoption of the European *acquis* on a gradual basis. If legal approximation promised to be a practicable and good way forward for labour rights in Tunisia, it would of course need further and detailed discussion among social actors. The inclusion of a Trade and Sustainable Development Chapter in the treaty might not serve as a sufficient instrument to pursue this objective⁸⁵. Moreover, the report insists that the expected benefits of the DCFTA will not materialise without a major reallocation among different sectors, which in turn would imply higher ‘flexibility’ of the Tunisian labour market⁸⁶.

With respect to containing the negative fallout of rising consumer prices, the report emphasises that it “needs to be taken into account in the social security system”, while potential effects of the DCFTA in the field of social protection would only be “very indirect”⁸⁷. What remains to be clarified therefore is apparently how to implement this and who pays for the necessary restructuring of the Tunisian social security system. The human rights analysis included in the social impact chapter summarises the main points raised there with respect to ESR, primarily by representing them as potential indirect effects that could and should be mitigated by appropriate accompanying measures to be taken by the governments of Tunisia and Morocco. Regarding the direct effects of the DCFTA on human rights in general and labour rights specifically the TSIA reports seem to see opportunities for containing a race to the bottom or even

improvement via the establishment of monitoring and consultation mechanisms as well as via the ratification of additional ILO conventions⁸⁸.

In sum, what the DCFTAs at the current stage are able to offer beyond regulatory approximation seems to be quite limited as regards ESRs of SMC citizens. The adoption of EU standards in turn might in the end even exert more negative than positive effects on the economies and societies of the North African countries and the policy space of their governments.

4.3. EU Aid and Cooperation with the SMCs

4.3.1. Role of EU Aid and Cooperation in Mitigating Social Impact of EMAAs

The number of EU-funded programmes explicitly designed to mitigate negative effects of trade liberalisation seems to have been rather limited. It has been hinted at above that a **financial cushioning of the costs of adjustment was neither planned nor would it have been feasible despite increased funds made available through MEDA and later ENPI**. Scholarly assessments of their impact is even narrower than the limited number of programmes themselves. Rare examples include an analysis of the industrial sector modernization in the SMCs which revealed that these programmes would have suffered from different shortcomings including institutional intricacies as well as a lack of coordination and long-term strategy⁸⁹.

Instead of delivering clear-cut analysis of the output, outcomes and impact of development cooperation, the literature on technical and financial assistance provided by the EU seems to have followed so far a rather different logic. A large part of **the literature on development assistance – in general and in**

the Euro-Mediterranean context in specific – concentrated on describing how much and what has been funded including who were the main donors and beneficiaries.

This is mainly what annual reports, statistics and news published by the EU and its different agencies are traditionally taking care of in addition to compiling a host of aid programming documents such as for example the multiannual national or regional indicative programmes. EIB and EBRD also inform the public widely about their engagement and loan activities in the SMCs as part of glossy booklets. In some cases these documents included in recent years also short descriptions of ex-post assessments which however showed only selected projects⁹⁰.

In the academic literature on Euro-Mediterranean relations, the number of studies on EU development cooperation with the SMCs has been rather limited. Some of these reports only deliver an overall picture of volume and structure of EU development cooperation in the framework of the financing instruments MEDA and ENPI⁹¹. Others took a more detailed look on the determinants of aid allocation including motives and interests of donors involved⁹². One study, for example, pointed to the high concentration in the allocation of EU multilateral and EU member countries' bilateral funds on some of the SMCs including Algeria, Egypt, Morocco, Tunisia and Jordan which in turn would hint at the importance of commercial interests behind aid besides strong 'historical' ties or simply strategic reasons⁹³. In addition, the authors emphasized the comparatively large role of economic cooperation in the sectoral distribution of funds provided to the SMCs in particular by EU member countries on the bilateral level.

A number of other publications highlighted:

- » the often lacking coherence between different policies and 'instrumentalisation' of development cooperation for either commercial or even genuine security interests⁹⁴;
- » the apparent discrepancy between what the EU pretends to aim at and what in fact it is delivering with respect to the promotion of sustainable and inclusive development in the SMCs⁹⁵;
- » the strong prioritization of financial and technical assistance in supporting economic reform, legal approximation and adjustment as embodied in the overall approach of both the EMP and ENP⁹⁶;
- » the institutional intricacies of shared competencies in EU development cooperation (continuously increasing actors as well as shared EU and member countries' competencies)⁹⁷;
- » the comparative weak volume of funds committed to programmes supporting civil society, good governance and democracy promotion or even agriculture, at least under MEDA⁹⁸.

Far beyond this sort of aid focus, some authors even argued that financial assistance contributed to strengthen the power of commercial elites as well as large agro businesses in the SMCs at the expense of the majority of small and medium-sized enterprises (SMEs) and small farmers⁹⁹. This in turn would contrast with the traditional strong focus on the development of micro, small and medium enterprises often portrayed as a main pillar of EU assistance (see MEDA, ENI and UfM priorities as well as the loans and technical assistance provided by both EIB and EBRD). While there are apparently a plenty of analyses on the characteristics of and main challenges SMEs are facing, there are only a few if any detailed assessments of the impact and effectiveness of previous SME development initiatives funded by the EU and member countries in the SMCs¹⁰⁰.

One may finally argue that other programmes including upgrading of public facilities and environmental protection or cooperation in health, education and social infrastructures funded by the EU in recent years may have contributed in one form or another to contain negative effects of the EMAAs. The problem

stays, however, that **assistance programmes have rarely been assessed and, if so, they mainly followed a different framework of analysis.**

4.3.2. Role of EU Aid and Cooperation in Promoting of SMC Citizens' ESRs

ESRs as such and their promotion hardly seem to have played a role in EU project funding or the anyhow rather rare assessments of its impact. **Assuming that a large part of EU-funded development interventions affect in one form or another SMC citizens' enjoyability of ESRs an evaluation of their impact would require an in-depth analysis of each and every project,** its aims and instruments and the development of an analytical framework enabling the assessment of its effects. At the same time it would also be an interesting point to look at how their implementation as such ensured compliance with stated labour standards or gender equality aims, for example. In 2015 the EIB published a report on the employment impact of the "EIB infrastructure investments" in the SMCs. Besides assessing how many jobs have been created as part of the projects, the case studies delivered also some insights about the observance of health and safety standards¹⁰¹. Studies of this kind are, however, rare to find.

A field with a potentially significant impact on the enjoyability of ESRs is **migration and asylum** for which the EU has developed a number of different instruments. According to a study published recently for the European Parliament's Directorate General for International Policies, hundreds of projects would have been implemented in third countries during the last ten years. Specifically Morocco, but also other SMCs, received substantial amounts for cooperation on migration and asylum. A large part of these funds apparently ended up in strengthening border control systems rather than for example improving systems for legal migration. Moreover, there would be "a multiplicity of projects in each country, with different legal and institutional frameworks, not always aligned and often overlapping with each other"¹⁰².

Women's issues and gender equality had barely been addressed in the framework of the EMP. A first Euro-Med Ministerial Conference on "Strengthening the Role of Women in Society" took place in 2006 and concluded with the adoption of the Istanbul Plan of Action. Despite the fact that women empowerment and gender equality found their way into the APs, EU funds made available for programmes with the aim to improve the political and economic role of women remained, according to rare reports in this field, rather negligible¹⁰³. An assessment of the impact of these programmes including for example the Regional Programme on the "Role of Women in Economic Life" (RWEL) 2006-2009¹⁰⁴ is also missing. Since 2006, another two Euro-Mediterranean Ministerial Conferences on Women took place in 2009 and 2013. Women empowerment has then been adopted as one of the new priorities of the UfM¹⁰⁵. Moreover, several new or follow-up projects have been initiated in the framework of ENPI including SPRING Gender¹⁰⁶ in addition to UfM regional projects such as "Young Women as Job Creators" or "Women's Right to Health"¹⁰⁷ or the assistance provided by the EIB to the Jordanian "Microfund for Women"¹⁰⁸. The impact of previous EU-funded initiatives on the empowerment of women in the SMCs and their ESRs, however, has not been assessed in the literature so far. It seems even unclear whether and how these new projects contribute to a doubling of efforts; in a similar manner as the UfM-framed establishment of the "Foundation of Women for the Mediterranean" as another regional association¹⁰⁹.

Health and education also traditionally belong to the priority areas of EU development assistance to the SMCs. Although these fields seem to have attracted substantial shares of assistance committed to the SMCs in recent years their impact would according to some authors have rather concentrated on "quantitative achievements ... while paying little attention to more qualitative aspects such as curricula quality"¹¹⁰. Another study indicated that a planned extension of a former EU-funded programme on Technical Vocational Education and Training (TVET) reform in Egypt would have "the potential to resolve a number of legal and institutional challenges facing the TVET in Egypt"¹¹¹. The author concludes however by noting with regard to foreign-funded labour market programmes in more general that monitoring and evaluation would be lacking and that "[W]ithout serious impact assessment, the real costs of

interventions and their effectiveness will remain widely unknown". Yet another analysis emphasized that EU assistance for education would have helped to improve education systems in some SMCs though without substantiating this opinion with more elaborate evaluation of specific programmes funded by the EU¹¹². The same report while reviewing social protection systems in SMCs and pinpointing their shortcomings urged a "greater involvement in a real partnership" with EU member countries to make social protection systems in the SMCs more efficient.

4.4. Summary and Conclusion

This report aimed at answering two questions: First, did the developments before and during the *Arabellions* lead to any conceptual change in the EU's policy towards the SMCs? Second, did they generate a re-focussing in the scholarly debate on issues exploring the impact of free trade and economic cooperation with the EU on social and economic rights of SMC citizens? Besides tracking how EU Mediterranean Policy proceeded since 1995 with a specific view on its conceptual foundations, the first part of the report outlined how economic and financial relations between the EU and the SMCs evolved in recent years against the background of the implementation of the EMAAs. In the second part, the report reviewed and discussed what has been written before and after the *Arabellions* in economic and political economy literature on the social impact of economic integration with the EU and how it affects ESRs of SMC citizens.

As regards the first question, the analysis put forward in this report has shown that a 'social dimension' of Euro-Med relations and specifically issues such as job creation, labour rights, and gender equality have gradually attracted more attention since the launch of the ENP in 2004. Those references made in ENP Action plans and other strategy papers, however, remained in a rather vague form. More importantly, they did apparently not translate into a genuine revision of the main instruments, interests and also basic principles guiding Euro-Mediterranean cooperation since the establishment of the EMP in 1995.

The EU's strong focus in its policies towards the SMCs on economic reform, liberalisation and structural adjustment combined with rather restrictive migration policies focussing heavily on preventing irregular migration remains intact. The negotiation of DCFTAs risk to even reinforce this trend by adding another layer to the targets of legal approximation as embodied already in the first generation of ENP Action Plans. In addition, the ENP 2011 and 2015 risk at splitting up the group of SMCs into a 'DCFTA-club' pursuing an 'enlargement light 2.0' agenda and a rest of countries not prepared to adopt the EU *acquis* as well as throwing aboard completely the original spirit of a regional approach.

Also trade and financial relations between the EU and the SMCs did not witness a substantial change or transformation in recent years. Specifically trade exchange between both shores has still been characterized by large asymmetries typical for 'North-South' relations; increasing deficits in merchandise trade on the side of most SMCs but at the same time an apparently refocussing of export destinations as well as sources of imports away from Europe to other global players. European financial assistance on the other hand remained rather limited in volume, if measured in per capita terms in particular with regard to countries with larger populations such as Egypt and Morocco. The EU assistance has also been widely criticized in the literature for prioritizing economic reform and security interests, such as border control systems, rather than supporting the SMCs in mitigating the social impact of trade liberalisation.

The findings of this report point to at least a partial change or refocussing in main topics dealt with in literature on Euro-Mediterranean relations but not so much in the methodologies used. Only recently, some more critical voices seem to have appeared scrutinizing what liberalisation is able to offer and what sophisticated economic models and methods are able to predict. International experts also started to warn about the many risks the conclusion of a DCFTA may generate for SMC economies, politics and societies at large. In addition, an apparently rising number of economists seems now to call for more caution in designing future liberalisation and for fostering intraregional integration as an instrument against deepening hub-and-spoke patterns in relations with the EU.

In addition, the social impact of specifically industrial trade liberalisation on labour, employment, poverty and inequality seems to have attracted considerably more attention in recent years compared to the first period of the EMP up to the middle of the 2000s. By doing so, however, most sources did apparently not distinguish between different policies or partners but tried to discern the impact of trade liberalisation on SMC economies in general.

In addition, gender differentials with respect to wages and employment have only rarely been looked upon while the majority of studies apparently focused on a few country cases with Tunisia, Morocco and Egypt as the most prominent. With respect to the effects of agricultural trade liberalisation the number of studies remained apparently more limited and primarily concerned with simulation of different future scenarios of liberalisation. A major gap has been identified here as regards data and analyses about female employment in agriculture and the status of women in rural areas in general.

The impact of liberalisation on working conditions, job quality and social protection has remained – apart from a very few exceptions – a rather blind spot in economic research. Yet, deteriorating working conditions and violation of labour standards are one of the major challenges to tackle for the SMCs in the years to come. As regards social protection and working conditions of SMC migrants in the EU, the picture seems not to be much different. Although studies have been published investigating working conditions of migrants in the EU, most of them do not distinguish between migrants' countries of origin. Issues such as access to work, social security and health with a specific focus on SMC migrants in the EU seem to have remained rather eclectic and limited in number. An interesting topic to look at in future research could be to track and assess how the new form of coordination in social security affairs between the Maghreb countries and the EU is going to work. In addition, there is a need for more detailed analysis how access to social security is legally framed and implemented in practice as regards labour migrants from the other SMCs whose EMAAs and/or MPs do not cover provisions on social protection.

Another gap in the literature pertains to the impact of the EMAAs and Euro-Med relations in general on SMC citizens' standard of living including right to adequate food, housing, clothes and right to water and sanitation which could be linked to trade liberalisation via the impact of the latter on issues such as food security, food safety or for example environmental stress. Only few studies discuss the environmental effect of trade liberalisation on the SMCs. The literature on agricultural development has increasingly paid attention to sustainable development without, however, interlinking with the existing human rights literature on international trade and food security.

The trade sustainability assessments on the future DCFTAs, in contrast, include an analysis of social impacts and even make reference to ESRs. Their exploration of direct (mainly labour rights) and indirect effects on ESRs and human rights, however, seems to reflect very vague suggestions of what would happen if 'not-yet known provisions' were included in the final text of the agreements. Moreover, the studies insist that the potentially adverse social impact portrayed as indirect effects on ESRs should be mitigated by appropriate accompanying measures by the partners' governments – a recommendation well-known from earlier agreements and their ex-ante assessments. At the current stage, DCFTAs have little to offer as regards ESRs of SMC citizens. The adoption of EU standards might in the end even exert more negative than positive effects on the economies and societies of the North African countries and the policy space of their governments.

Finally, the topic of development cooperation with the SMCs seems to have not attracted large attention before and after the *Arabellions*. In addition, the assessment of impact and effectiveness of European assistance offered to the SMCs in the framework of MEDA and ENPI as well as loans provided for example by the EIB did hardly play a role in the literature. Accordingly and apart from the strong prioritization of supporting reforms rather than cushioning negative effects of trade liberalisation, there is an apparent lack of studies trying to track effective implementation and assess the effects of different EU-funded programmes in sectors such as education, health or promotion of social dialogue on the life of SMC citizens and their economic and social rights.

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