

**EMPLOYMENT AND SOCIAL PROTECTION  
IN THE EURO-MEDITERRANEAN PARTNERSHIP  
Status, Perspectives and Proposals for Action**

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There is a broad and growing consensus on the reality of employment as the main economic and social challenge facing the Mediterranean Partner Countries (MPC), at least for the next twenty years. According to the 2003 annual report of the Euro-Mediterranean Forum of Economic Institutes (FEMISE)<sup>1</sup>, 20 million jobs would have to be created by 2010 in order to prevent the already high (official) average unemployment rates of 15% of the working population from increasing. This assumes that the current rate of activity is maintained in the ten MPC (i.e. the ratio of labour force to working age population, currently at 48%, and less than 30% for women). This figure rises to nearly 34 million jobs by 2020. This still does not take into account the predictable tendency for decline in agricultural employment, equating to 30% of the region’s working population. Even if this vast number of jobs were created, two thirds of working age women would continue to be excluded from the labour market. The absolute number of unemployed in the region would rise from the current figure of 8 million to 12 million in 2010 and 16 million in 2020. The World Bank has estimated that if the North African and Middle Eastern group (MENA countries) are to absorb job seeking young people into the labour market in the next two decades, these countries will have to create 80 million new jobs. This rises to 100 million if they intend to absorb the existing high levels of unemployment<sup>2</sup> as well. The European Commission itself, in its five-year Work Programme Proposal<sup>3</sup>, speaks of the need to “create 5 million new jobs a year to offer better economic prospects to the new entrants to their labour markets while ensuring the pursuit of sustainable development”.

This need to create employment would mean an increase in the working population – total number of people employed – in the region of more than 50% in the next ten years. This will require, as a minimum, doubling the economic growth rates recorded in the last two decades (from 1980 to 2001, the Mediterranean partner countries grew at an accumulated annual rate of 2.4%), “an accomplishment... not even achieved by the high performing East Asian economies during the height of their employment growth period”. It is not just a

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<sup>1</sup> HANDOUSSA, Heba and REIFFERS, Jean-Louis (co-ords.) (2003), *Femise 2003 Report on the Euro-Mediterranean Partnership*, Institut de la Méditerranée, Marseille, <http://www.femise.org/Pub-indic/an-03.html#gb>.

<sup>2</sup> WORLD BANK (2003) *Unlocking the Employment Potential in the Middle East and North Africa: Toward A New Social Contract*, Washington. A summary can be seen at [http://lnweb18.worldbank.org/mna/mena.nsf/Attachments/EmploymentOverview/\\$File/Employment-overview.pdf](http://lnweb18.worldbank.org/mna/mena.nsf/Attachments/EmploymentOverview/$File/Employment-overview.pdf).

<sup>3</sup> European Commission Communication “Tenth Anniversary of the Euro-Mediterranean Partnership: A work programme to meet the challenges of the next five years” (12/04/2005), [http://europa.eu.int/comm/external\\_relations/euromed/barcelona\\_10/docs/10th\\_comm\\_en.pdf](http://europa.eu.int/comm/external_relations/euromed/barcelona_10/docs/10th_comm_en.pdf)

question of statistical projections: most of these young people have already been born, since a third of the 240 million inhabitants of the Mediterranean Partner Countries are under 15 years old.

As far as the economic and social situation in general is concerned, another recent FEMISE report lays bare the enormous gap between Southern and Northern Mediterranean countries<sup>4</sup>.

## **10 years of the Euro-Mediterranean Partnership**

### *Subsidiary nature of employment and economic and social rights*

Faced with this situation, the focus adopted in the Euro-Mediterranean Partnership framework has been to concentrate efforts on economic deregulation and structural reform, in the hope that this would attract direct foreign investment and, as a secondary effect, help to create employment. The objectives for economic and financial co-operation of the Barcelona Declaration are “the acceleration of the pace of sustainable socio-economic development”, the “improvement of the living conditions of their populations, increase in the employment level and reduction in the development gap in the Euro-Mediterranean region” and the “encouragement of regional co-operation and integration”. The three instruments designated to achieve these objectives are “the progressive establishment of a free trade area”, “the implementation of appropriate economic co-operation and concerted action in the relevant areas” and “a substantial increase in the European Unions financial assistance to its partners”. Among the specific measures for achieving this are “the adoption of suitable measures as regard rules of origin, certification, protection of intellectual and industrial property rights and competition” (without any reference to workers rights); “the pursuit and development of policies based on the principles of market economy and the integration of their economies taking into account their respective needs and levels of development”; “the promotion of mechanisms to foster technology transfer” and “the adjustment and modernisation of economic and social structures, giving priority to the promotion and development of the private sector, to the upgrading of the productive sector and to the establishment of an appropriate institutional and regulatory framework for a market economy”.

The only reference to social issues comes immediately afterwards: “they will likewise endeavour to mitigate the negative social consequences which may result from this adjustment, by promoting programmes for the benefit of the neediest populations”. In other words, this matter is treated purely on a subsidiary and complementary basis, not as a direct main objective of co-operative action. Taking into account that at present no systematic, exhaustive and accurate diagnosis of the social consequences of the Euro-Mediterranean Free Trade Area or of the processes of economic reform has been made, it is no wonder this

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<sup>4</sup> COLLICELLI, Carla (2003), *The Mediterranean Limes. The Social Variables of Development: Health, Poverty and Crime*, published by FEMISE and available at <http://www.femise.org/PDF/a021/fem2130-censis-voll.pdf>.

declaration of intentions has rarely taken shape in the form of specific contents of Euro-Mediterranean co-operation.

In this respect it has to be said that the Free Trade Agreements signed by the countries in the region, in particular by Jordan and Morocco, with the United States, do regulate labour rights and workers rights issues specifically. The experts however harbour serious doubts about the effectiveness of such agreements in this respect<sup>5</sup>.

As a result, the past ten years have been characterised by a complete lack of direct action on employment issues. This is borne out by the fact that there has not been a single Euro-Mediterranean Conference for ministers of labour or social affairs while there have been, for example, conferences for the ministers of industry, commerce, environment, water, agriculture, energy, transport, information society, justice and home affairs, culture and health.

The Commission's Work Programme for the next five years reiterates this approach. In it, new actions are envisaged to promote the prior objective of "helping to create jobs and sustainable economic growth through trade liberalisation and regional integration". This is one of the three main priorities set out, together with human rights democracy and education. There is also the liberalisation of trade in services and establishment, trade liberalisation and co-operation in agriculture and fisheries, the convergence of legislation, South-South economic integration, a sound macro-economic environment, the study of the creation of a Euro-Mediterranean Development Bank, transport, energy and environmental sustainability. There is not, on the other hand, a single mention of specific measures to boost employment. On a European level, it is a long time ago since it was concluded that in order to fight unemployment efficiently, hand in hand with growth policies and structural reform active and direct employment policies and joint strategies are necessary on a European level. There is no reason why this logic should not be applicable to the Euro-Mediterranean field.

The same can more generally be said for economic and social rights (ESR). A report by the Euro-Mediterranean Human Rights Network (EMHRN) brings to light the fact that the Euro-Mediterranean Partnership framework is almost completely bereft of any methodical reflection on economic and social rights and their role in the "Barcelona Process"<sup>6</sup>. This is particularly serious and questions the possibility of achieving the objectives of the Euro-Mediterranean Partnership. A subsequent research project carried out by the EMHRN shows that ESRs are a fundamental material condition for the effective exercising of civil and political rights, held to be an "essential element" of Partnership<sup>7</sup>. Economic and social

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<sup>5</sup> See CHARNOVITZ, Steve (2005), "The Labor Dimension of the Emerging Free Trade Area of the Americas", in Alston, Philip (ed.), *Labour Rights as Human Rights*, p. 143-176.

<sup>6</sup> See BYRNE, Iain and SHAMAS, Charles (2002): *Human Rights Implications of the MEDA Programme*, Euro-Mediterranean Human Rights Network, Copenhagen.  
[http://www.euromedrights.net/english/Download/MEDAreport\\_final.doc](http://www.euromedrights.net/english/Download/MEDAreport_final.doc).

<sup>7</sup> See MARTÍN, Iván, BYRNE, Iain, and SCHADE-POULSEN, Marc (2004), "Economic and Social rights in the Euro-Mediterranean Partnership: The Missing Link?" Introduction to Martín, Iván and Iain Byrne, "Economic and Social Rights in the Euro-Mediterranean Partnership", *Mediterranean Politics* no. 9.3. p. 307-318, <http://wdb.sicomnet.edu.mx/alca/intranet/galeria/17/8.pdf>.

rights would then be a genuine “missing link” in the chain of causality for achieving the Euro-Mediterranean Partnership objectives for democracy and development. In this respect mention should also be made of the meagre attention devoted to the economic and social rights of immigrants from MPCs established in the EU, detracting credibility from the appeals of the EU itself urging MPC to promote progress in this field.

All this taken into account, the new emphasis placed on education by the Commission’s Work Programme is excellent news, although efforts continue to be centred on the “functional” aspects of the labour market, such as professional training and mobility of university students. This now comes ahead of the preliminary issues of fighting illiteracy or universal schooling, the responsibility for which is left in the hands of the individual MPC. The 50% rise aimed in bilateral co-operation in education is established as a “proportion of the total financial co-operation”, and this could have a detrimental effect on other aspects of co-operation, without necessarily implicating the contribution of new resources.

### *Lack of economic growth*

However, leaving aside the subsidiary nature of employment, significant progress has not even been made in terms of growth, the explicit objective on which the efforts of the Euro-Mediterranean Partnership have been concentrated. Notwithstanding the progress recorded on matters of macro-economic stability (adjustment) and integration into the global economy (external deregulation), in the last ten years there has been no progress at all in economic convergence between the countries of the North and South Mediterranean. Their income differential has remained constant at 5.5 times in purchasing power parity terms, despite weak European growth rates<sup>8</sup>. In fact, barring the case of Tunisia, which “advanced” four percentage points to 26.8% of European GDP per capita, in all the other countries there was a standstill or an increase in the differential with respect to European income per capita. The average growth rate achieved between 1995 and 2004 by the MPC was 3.9% annually. This was neither enough to reduce their economic gap with Europe (taking into account that the population of the MPC increased by 2.1% annually during the same period), nor to create the necessary employment to absorb the 3.0% average growth in the working population. Employment in the MPC has increased at a rate of slightly less than 1% annually during these ten years. However, neither at national nor Euro-Mediterranean level is sufficient attention given to the intensity of employment, of growth or of the help in creating employment in the co-operation programmes. Most MPC do not even have explicit national employment strategies. Even worse, they currently do not even have reliable statistics or systematic information available on the employment or ESRs situation and policies in the MPC.

In short, the “economic equation” on which the success of the Euro-Mediterranean Partnership depends has not worked. In its first ten years, the most that can be said is that

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<sup>8</sup> See “10 Years of Barcelona Process: Taking Stock of Economic Progress in EU Mediterranean Partners”, *European Economy*, Occasional Papers no. 17, April 2005, Directorate General for Economic and Financial Affairs of the European Commission, where a perspective is also offered on the evolution of the socio-economic situation in the MPC since 1995. [http://europa.eu.int/comm/economy\\_finance/publications/occasional\\_papers/2005/ocp17en.pdf](http://europa.eu.int/comm/economy_finance/publications/occasional_papers/2005/ocp17en.pdf).

the contribution of the Euro-Mediterranean Partnership to the creation of an “area of shared prosperity” in the Mediterranean has been practically insignificant.

### *Social deficit*

Consequently, the fears voiced by many in 1995 concerning development problems in the Mediterranean basin have been borne out. The situation continues to be alarming and there is a serious social deficit in the region<sup>9</sup> although there has been an improvement in some social indicators (life expectancy in MPC increased by between two and four years in that ten year period, mainly due to health improvements and the drop in infant mortality). In spite of some progress, there are serious deficiencies in health services (less than 20% of the population has minimum health care coverage); education (50 million illiterate adults in MPC, 25% of the adult population, and almost half of the women); and access to water and housing. Social protection systems are very limited and women are, to a large extent, excluded from economic and political life. The EMP has not contributed significantly to the reduction of this social debt.

As far as social protection systems are concerned, both social and economic agents and the experts themselves soon showed that in countries such as the Southern and Eastern Mediterranean countries, especially at times of crisis and major reform, Social Security networks needed to be reinforced and broadened by extending health coverage, ensuring decent conditions for accidents at work and retirement, and offering protection for job loss. Overlooking this meant contributing to the spread of the informal economy and to the lack of social cohesion.

There were even fears that existing social protection systems would be dismantled. There is no evidence of that in connection with the EMP, but efforts in this field have been very limited (unemployment coverage in Algeria or bringing in compulsory medical insurance in Morocco, for example). The rise in unemployment, which reached unprecedented levels, and the precariousness of and increase in the informal sector, spell a rise in the unprotected and vulnerable population. The trends in this respect recorded in that ten years period confirm that protection mechanisms should be reinforced and extended urgently and strategically.

### *Labour rights*

As far as labour rights are concerned, there have been some changes in the last ten years, but in general this has had nothing to do with the Euro-Mediterranean Process as such:

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<sup>9</sup> Seminar report “Droits économiques et sociaux dans le Sud et l’Est de la Méditerranée”, organised by the FIDH in Jordan, October, 2003, <http://www.fidh.org/IMG/pdf/jo378f.pdf>. See also the three Arab Human Development Reports published in 2002, 2003 and 2005 by the United Nations Development Programme. <http://www.undp.org/rbas/ahdr/>.

- The MPC have ratified most major international conventions (fundamental labour norms, 1998 ILO declaration), and in general have a developed legal framework<sup>10</sup>. The main problem is its effectiveness.
- During these ten years there have been various reforms in labour codes<sup>11</sup>. In general this has meant modernising the legal framework and significant improvements (working hours, women, child labour, minimum wage, health at work, collective bargaining in the company sphere); but it has also resulted in temporary work becoming commonplace, facilitated the dismissal of employees, precariousness and sub-contracting. These reforms have been a response, essentially, to the call for flexible working relations, sought by business entrepreneurs and recommended by the World Bank and fully functional with respect to the logic underlying the Euro-Mediterranean Partnership. In some cases, trade union rights have been restricted, weakening still further the representation of workers.

At the same time violations of trade union rights are commonplace. This is often due to the hostility of employers towards the unions. In several countries, civil servants and public sector workers have their right of organisation restricted. There are some unions whose representation is not recognised or taken into consideration. In other countries, the government often intervenes in union affairs. The problem is becoming more acute with the fragilisation of the union movement. This is due to loss of affiliation brought about by the reduction in the public sector and flexibility, through a lack of defence on the part of the institutions, and also to internal reasons (poor operation, lack of internal democracy and autonomy). Overall, an even greater problem is the lack of the development of collective bargaining in companies and by sectors.

*1<sup>st</sup> conclusion: In these ten years, the Euro-Mediterranean Partnership has not effectively contributed to the creation of employment or to improvements in the socio-economic situation or in the social and labour rights of the population of the MPC. Neither employment nor ESR have been political priorities of the Partnership, nor have direct actions been taken in this field. From this point of view, the Euro-Mediterranean Partnership has been rather irrelevant.*

#### *Lack of social dialogue*

As a general rule, the Euro-Mediterranean Institutions have restricted the participation of civil society, which was already scant,<sup>12</sup> to the third chapter on “partnership in social, cultural and human affairs”, excluding it from issues related to political dialogue and security and economic and financial co-operation. It is paradoxical that the European Union has signed Association Agreements aimed at fostering the development and consolidation of democracy in the MPC and which represent an economic and social transformation of

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<sup>10</sup> Morocco, Jordan and Lebanon have not ratified agreement 87 of the ILO on union freedom.

<sup>11</sup> Those of Tunisia and Egypt have been reformed, and new texts have been adopted in Morocco and Palestine.

<sup>12</sup> See MARTIN, Iván (ed.) (2005), *Bringing the Euro-Mediterranean Partnership Closer to the People*. 35 *Proposals to Engage Civil Society in the Barcelona Process*, Friedrich Ebert Stiftung-Morocco, Rabat.

such great importance in the decades to come in the aftermath of a process which, in the vast majority of cases, did not envisage any kind of internal social consultation or concertation.

Similarly, bringing in ready-made and technocratic economic, political and institutional reforms without a broad political and social debate beforehand in the MPC themselves, which serves to internalise these reforms and create a consensus around the vision and the social project underlying them, runs the risk of distancing MPC societies from the Euro-Mediterranean process and putting at risk their sustainability, inasmuch as society *per se* will not feel identified with or committed to these reforms in the future.

At the level of the Euro-Mediterranean Partnership itself, over and above the compulsory enquiries made to the European Economic and Social Committee, Euro-Mediterranean institutions have not set up effective mechanisms for effective social consultation. It is very significant and worrying that, in the ten year process, social agents have not been involved in the discussion or implementation of the EMP Agreements or National Indicative Plans, nor in the more recent Neighbourhood Action Plans.

In the European experience, the consultative function of social and economic agents has been a mainstay of participative democracy. The social agents of the region have been determined to extend this practice within the framework of the EMP. Thanks to multilateral efforts, progress has been made since 1995; consultancy organisations have been created in several countries (Israel, Palestine), but several countries do not have them (Morocco, Egypt, Syria, Jordan). Globally speaking, social dialogue is still underdeveloped. The rare initiatives adopted in this field, although occasionally supported by regional MEDA funds, such as the Euro-Mediterranean Trade Union Forum or the nine successive Euro-Mediterranean Summits of Economic and Social Councils and similar organisations, have been the initiative of the social agents themselves. They have not effectively influenced the agenda or the decision-making process within the framework of the Euro-Mediterranean Process.

This situation contrasts with the guidelines arising from a recent European strategic document, namely the Social Agenda (February 2005), lodged within the framework of the Lisbon strategy, which claims to make the European economy the most competitive in the world by 2010. Among the three conditions given for the success of the Agenda is the external dimension where there is a specific proposal for: “the integration of the European social model in external dialogue and action, at a bilateral, regional and multilateral level”.

*2<sup>nd</sup> conclusion. The Euro-Mediterranean Partnership has not encouraged social consultation as a fundamental element of a democratic society in the MPC, nor has it established its own consulting and concertation mechanisms with Euro-Mediterranean social agents. The projection of the “European social model” in its relations with its less developed neighbours is a condition for maintaining this model within the EU itself.*

## **Prospects:**

### **Is the current Euro-Mediterranean Partnership model socially sustainable?**

The Euro-Mediterranean Free Trade Areas (EMFTA) set up transitory periods of twelve years and concentrate the dismantling of tariffs on nationally produced consumer products (i.e. the sectors most sensitive to competition from European products) in the last four years of this period. This implies that MPC citizens will start to feel the negative effects of the EMFTA eight years after the Partnership Agreements come into force. This will be in 2006, in Tunisia, the first country in which it came into force, and in 2008 for Morocco, etc.

Whereas the economic benefits of the EMFTAs are uncertain (especially as they are restricted to industrial products and exclude agricultural products, and because they also partly depend on external factors, such as foreign investment) and in any case they will only materialise in the medium to long term and will spread thinly throughout society, the negative social effects will be felt in the short term and by specific social groups. In fact the EMFTAs will have a short-term negative impact on employment (with Morocco, Algeria and Syria being the most vulnerable to free trade in terms of employment). Probably there will also be a negative effect on the income of the population (reduction of wages in real terms), and without a doubt on State income (Lebanon, Jordan, Morocco and Egypt are the countries with a highest budgetary vulnerability to free trade; depending on the country, the MPC will lose income from tariffs of between 10 and 20% of State income, and between 1 and 4% of the GNP, a loss which will only be partly compensated for by the flow of MEDA funds, which means between 10% and 25% of losses of State tariff revenues). This reduction in State income runs the risk of translating into cuts in social spending on education and health and consequently negatively affecting the social protection systems of the MPC.

Paradoxically the Euro-Mediterranean Free Trade Areas, which claim to strengthen the operation of the MPC markets, could end up reinforcing the informal economy as a scape valve. This will distort conditions for competition, reinforce inequality and limit the capacity for State action, in addition to undermining economic and social rights and working conditions in the informal sector. In the absence of a substantial increase in direct foreign investment or of the liberalisation of the European agricultural markets, the free trade areas could even negatively affect the possibilities for growth in these countries<sup>13</sup>.

In short, the EMFTAs are an instrument of economic policy which prolong the logic of the structural adjustment followed by MPC governments since the mid-eighties, with success in stabilisation but without tangible results in terms of growth, employment and the living conditions of the population. Logically, it can be predicted that the effects of the EMFTAs will also be similar.

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<sup>13</sup> See MARTÍN, Iván (2004), "The Social Impact of Euro-Mediterranean Free Trade Areas: A First Approach with Special Reference to the Case of Morocco", in Martín, Iván and Iain Byrne, "Economic and Social Rights in the Euro-Mediterranean Partnership", *Mediterranean Politics* no. 9.3. p. 422-458, <http://www.eco.uc3m.es/immartin/SocialImpactMediterraneanpolitics.pdf>.



The lack of South-South integration between the MPCs, especially between the countries of the Maghreb, aggravates the situation, with indeterminate but high cost in terms of attracting foreign investment, competitiveness, flow of funds from trade and as a result employment.

In the light of these perspectives we should ask ourselves about the social sustainability of free trade areas from the last phase of the transitory period. Not adopting counter measures against the negative effect means running the risk of exceeding, in the case of some social groups and some countries, the “social sustainability threshold, i.e., the absolute limit of negative effects of policies or economic reform measures, in terms of deterioration of the situation or their economic prospects and opportunities, which a social group or society in general is willing to support without revolting in one way or another, be it through emigration or reverting to redeeming political options, with the subsequent instability that this entails.

Paradoxically, this huge experiment in economic engineering has been undertaken without a prior exhaustive analysis of its foreseeable effects (the ongoing Sustainability Impact Study of the Euro-Mediterranean Free Trade Areas, commissioned by the European Commission following a mandate at the Euro-Mediterranean Conference of Ministers for Foreign Affairs in Stuttgart in 1999, has still not been completed). Neither was there any type of preventative safeguard in the event that in one or more countries the implementation of the EMFTA provoked unsustainable negative effects, nor was a compensation system established in case the negative effects exceeded the positive ones.

Of course, in order to complete the analysis it is not only the social cost of reform and economic liberalisation which have to be taken into account, but also the social cost of not undertaking these reforms. This underlines the importance of tackling simultaneously the process of political, economic and institutional reform in MPC (as it is planned to do with the new European Neighbourhood Policy) and the social dimension of Euro-Mediterranean economic integration. As a minimum, even in terms of political feasibility, in order for the economic reforms of the MPC to be acceptable they must be accompanied by strategies to manage the social consequences they produce. The credibility of the Euro-Mediterranean Partnership calls for this management to be shared in accordance with the principle of co-responsibility and not to fall solely onto the MPC themselves, as has happened for the most part up until now.

*3<sup>rd</sup> conclusion: The negative social impact of the free trade areas on employment, population income and social public spending will be felt above all in the next ten years, and runs the risk of having social and political destabilising effects. However, no permanent system to evaluate the impact was foreseen or any safeguards against negative effects in free trade areas established. If compensatory measures are not adopted, there is a risk that the social sustainability threshold will be exceeded in some cases.*

## The new European Neighbourhood Policy and employment

One of the underlying motivations for the ENP responds to economic needs. One major concern for the EU is the demographic decline it is going to experience in the coming decades. Its labour force is decreasing, with well-known consequences for the sustainability of pension systems. This, in addition to security issues, makes the articulation of the EU and its neighbours into a competitive hub on a global scale a pressing matter. This strategic European interest in the integrated development of its neighbours is at the heart of successive attempts by the EU to put together a functional model of proximity relationships. This scenario obviously affects employment and economic and social rights. In successive ENP documents, there are references to these matters but also revealing omissions.

In its founding documents, the new European Neighbourhood Policy (ENP) already sets out explicitly, just like the Euro-Mediterranean Partnership, that one of its objectives is to promote sustainable economic and social development. But initially the importance of employment and social rights was not stated explicitly. In the conclusions of the Council of Ministers of General Affairs and External Relations on 16 June 2003, none of the main lines of action referred explicitly to employment and economic and social rights, thus towing the line that already characterised the Euro-Mediterranean Partnership. As has been seen, in the EMP documents (Barcelona Declaration, Association Agreements, Strategy Papers, National Indicative Plans ...) references to employment and social rights were very scarce.

However, on developing the ENP some positive changes were introduced. Firstly, included among the reference criteria for a country to benefit from the ENP there is an explicit mention of the international instruments for human rights, the core conventions of the International Labour Organisation and trade union freedoms<sup>14</sup>.

Subsequently, on achieving better economic integration and drawing closer to the EU laws, the strengthening of dialogue and co-operation in the framework of a social dimension is foreseen (social policies, employment, socio-economic development and structural reform) and the putting into force of active policies against poverty and exclusion<sup>15</sup>. In fact, in the

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<sup>14</sup> This is something that already features in COM(2003)104, 11 March 2003 and more explicitly in the "European Neighbourhood Policy Strategic Paper", COM (2004)373, p.14. "The level of the EU's ambition in developing links with each partner through the ENP will take into account the extent to which common values are effectively shared. The Action Plans will contain a number of priorities intended to strengthen commitment to these values. These include (...), *trade union rights and other core labour standards* (...)"

<sup>15</sup> "The extent to which the ENP is perceived as beneficial depends on its effects on living standards. Participation in the ENP project should be accompanied by active policies to address poverty and inequality. The Action Plans' economic and social component needs to be consistent with partner countries' own strategies. Strengthened dialogue is needed through the relevant subcommittees and economic dialogues. (...). Enhanced dialogue and co-operation on the social dimension will cover in particular socio-economic development, employment, social policy and structural reforms. The EU will encourage partner governments' efforts aiming at reducing poverty, creating employment, promoting core labour standards and social dialogue, reducing regional disparities, improving working conditions, enhancing the effectiveness of social assistance and reforming national welfare systems. The idea is *to engage in a dialogue on employment and social policy* with a view to develop an analysis and assessment of the situation, to identify key challenges

first five Action Plans these matters are mentioned explicitly, although not with the same relevance, for example, that the question of co-operation in justice and home affairs. For each country, specific lines of action or intervention are considered, ranging from the co-ordination of policies, promotion of employment, inclusion measures, fighting discrimination, etc. It is important to stress that international labour codes and trade union freedoms are indicated as part of the reference criteria (shared values) on which the Neighbourhood Agreements are based.

The content of the Action Plans regarding employment and social rights cannot be left in dead print but must be translated into concrete programmes with specific resources. The insistence that the ENP can really encourage dialogue in these matters opens up a field of possibilities for the economic and social agents of the EU and the MPC through consulting institutions or ad hoc mechanisms. However, the present total lack of consultation with social agents contradicts the logic of the ENP (legislative convergence and the adoption of EU practices) by refusing a practice well established in the EU, as is social consultation.

*4<sup>th</sup> conclusion: The new European Neighbourhood Policy establishes a new methodology and the Action Plans expressly refer to employment policies, trade union freedoms and international labour conventions. However, it must still pass the test of effective application and establish mechanisms of consultation with social agents, completely absent hitherto in this process.*

### **Proposals for action for the next five years**

Respecting ESR is essentially a responsibility of the States, first and foremost at the national level, but also of the EU (within the EMP framework) and the whole of the international community (within the framework of international and financial or other organisations). Therefore it is necessary to structure a debate on co-responsibility in the framework of the EMP when addressing the right to work and the right to development, especially as regards employment and ESR. The ENP should facilitate this.

The following proposals are based on three *basic principles*: a) the main single challenge that the MPC and the European countries have to face jointly in the next few decades is how to guarantee employment of quality both in the North and South of the Mediterranean, as well as the realisation of fundamental social rights for all citizens; b) to do so, the creation of employment and improvement of economic and social rights in the MPC must be included as one of the explicit objectives of the Euro-Mediterranean Partnership, with the subsequent need to take direct action in this area with specific financial resources; c) the principle of co-responsibility which lies at the heart of a true Partnership implies the sharing of responsibility between the EU and MPC countries in relation to matters of common interest (and employment and the economic and social situation are beyond a doubt just that). This means that it is essential to find joint solutions and eventually design common strategies and employ shared resources to carry them out.

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and to promote policy responses (COM (2004)373, p.15). “Dialogue on employment and social policy with a view to identify key challenges and to promote policy responses should be enhanced” (*idem.*, p.25).

### *In the institutional field*

- 1) To convene a large Euro-Mediterranean Conference on Employment in 2006, with the participation of national governments, Euro-Mediterranean and Community institutions, social agents and experts, along the lines proposed by the European Commission for Conferences on Human Rights and Democratisation and on Gender Equality planned for 2006.
- 2) To convene regular Euro-Mediterranean Conferences of Ministers of Labour in order to tackle the question of employment in the region.
- 3) To generalise the creation and operation of “Sub-committees on Social Affairs” within the bilateral Association Councils of the EU and MPC, such as the ones created in the case of Tunisia and Jordan. These subcommittees should address matters such as employment policies, monitoring and improving the economic and social situation and systems of social protection, labour codes and conditions and the reduction of poverty, and not only items related to co-operation on matters of justice and home affairs such as the integration of immigrants.
- 4) To create stable spaces for dialogue and social concertation at Euro-Mediterranean Partnership level, with the participation of social agents from the EU as well as from the MPC and Euro-Mediterranean institutions. This calls for considering explicitly the progressive convergence of the MPC to European social legislation, involving the co-ordination structures of trade unions, entrepreneurs and other socio-professional associations. In addition to the possibility of setting up a Euro-Mediterranean Economic and Social Committee (EUROMEDESC), there should also be a two-party social dialogue between, on the one hand, the Euro-Mediterranean Trade Union Forum and, on the other, the Union of Mediterranean Confederations of Enterprises and the UNICE.

### *On procedures*

- 5) To establish mechanisms for the multilateral monitoring and evaluation (surveillance) on a Euro-Mediterranean level of the economic and social situation in general, and particularly of employment, with a system of indicators that allows comparisons and the analysis of progress over time, as well as the monitoring of national policies. This system would have to include analysis of the ESR of the immigrants of MPC established in the EU.
- 6) To incorporate into all the decision-making and management procedures of Euro-Mediterranean institutions, policies, programmes and actions (Free Trade Areas, MEDA Programmes, Action Plans ...), the systematic and thorough study of its impact on employment and the economic and social situation. The current Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Areas

would have to be completed as soon as possible and provide unequivocal and relevant conclusions. Its findings and those of other impact assessment studies should serve as a basis for re-orientating actions and policy priorities and adopting counter measures for negative impacts.

*On the substantial content of Euro-Mediterranean actions and programmes*

- 7) To move towards the definition of a Euro-Mediterranean Employment Strategy with specific objectives for the region as a whole and for each country and the specification of commitments, plans and instruments to achieve them, along the lines of the EU's "General Guidelines on Employment Policies of the 25". This will oblige the member countries of the EMP to establish an integrated system of social statistics and information on employment policies.  
As a first step, the Commission should draw up some specific strategic guidelines on employment and economic and social rights, exactly as was done in 2003 with regard to human rights. This document would have to have clear, quantified and assessable objectives. It would incorporate a mechanism to promote ratification and the effective implementation of ILO conventions; a system of multilateral supervision of the situation with regard to economic and social rights; and the promotion of measures favourable to employment, social protection and cohesion and the eradication of poverty.
- 8) To establish institutionalised safeguard and compensation mechanisms in relation to the social consequences of Euro-Mediterranean actions and policies when the established benchmarks indicators exceed certain minimum thresholds.
- 9) Within the framework of the Neighbourhood Action Plans and of the MEDA Programmes, to adopt specific programmes and actions:
  - a. To promote social dialogue and concertation at national level in MPC;
  - b. To reinforce trade union freedom and effective respect for the autonomy of trade union organisations, as well as Euro-Mediterranean trade union co-operation;
  - c. To encourage worker representation in companies and effective legal protection for workers' representatives;
  - d. To ensure the protection and effectiveness of fundamental rights collected in the core ILO conventions, among them the rights to strike, collective bargaining and social dialogue, specifically through measures which ensure the effectiveness of labour law (labour inspection, etc).

*Specifically on the ENP*

- 10) To give more importance to employment and social rights in the Action Plans. This concern should be expressed in an official positions and be reflected in the Neighbourhood and Partnership Instrument (2007-2014).

- 11)** To create formal mechanisms of consultation with social agents which guarantee the effective application of Action Plans in all applicable areas, especially on employment and economic and social rights.