



North Africa's Trade Arrangements: Complementarities and Contradictions with the CFTA

Rabat, Morocco
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SUMMARY REPORT

From 28-29 June 2017 in Rabat, Morocco, Arab NGO Network for Development, l'Espace Associatif, Third World Network-Africa, and Regions Refocus, in collaboration with Friedrich-Ebert-Stiftung, co-convened a workshop to address the context of trade and economic relationships within North Africa and its neighboring regions. Bringing together a diverse group of approximately 30 policy-makers, representatives of regional institutions, civil society, women's networks, academics, and activists, this workshop provided an unusual opportunity to air North African perspectives on sub-regional trade relationships, in light of the forthcoming Continental Free Trade Area (CFTA) and its implications for the Maghreb and the broader North African region. The workshop also served as a space to explore steps towards potential heterodox and feminist approaches to the CFTA, and to strategize towards a mode of regional integration that benefits North African producers, consumers, societies, and people.

Over the two days of the workshop, participants listened to perspectives from governments, activists, trade unionists, and academics on North Africa's trade arrangements internally, with Europe, and with the rest of the African continent. Aiming to raise awareness about the CFTA and stimulate understanding of its regional and sector-specific implications, the methodology encouraged both mutual learning and collective strategizing. Participants agreed on concrete follow-up at the regional level, to take forward an action plan on information-sharing, capacity-building, and advocacy surrounding the CFTA in North Africa.

- Concept Note: [English](#), [French](#), [Arabic](#)
- Program: [English](#), [French](#)

Towards Transformative Regionalism, for the Maghreb and beyond

Setting a framework to guide the workshop discussions, Mohamed Said Saadi began the substance of the meeting with a keynote presentation of his forthcoming paper exploring the regional integration landscape of the Maghreb and the potential implications for North Africa of the Africa-

wide CFTA.¹ He explained the failures of the traditional approach to liberalization, which has not altered the structures of the economy or increased productive capacity in the region. Rather than continuing to push for market-led regional integration that relies on exports of raw materials to European markets, Saadi argued for a “transformative regionalism” that encourages structural transformation, solidarity and cooperation among African countries. “The reallocation of economic activities from low productivity and added value sectors to higher productivity industrial and modern services sectors,” his paper explains, can encourage economic growth and equitable development while reinforcing “collective industrialization” and regional collaboration.

Illustrating the context of the Maghreb, including its constraints in terms of employment, climate change, and conflict, Saadi spoke of the need for indigenous models of regional integration, rather than a “copy paste of the standard Jacob Viner type model applied in Europe.” As the Maghreb is the least integrated region in the world, collective political and economic action will be required to achieve structural transformation that benefits the majority of Maghrebi people. Embedded within this aim are social policies that promote gender equality, ensure labor rights, provide essential services, and guarantee democratic participation of civil society and social movements. Saadi’s paper underlines several key prerequisites for transformative regionalism in the Maghreb, including a political solution to the conflict between Algeria and Morocco (continually referenced during the workshop as a primary obstacle to regional integration); introduction and implementation of collective industrial development initiatives; and the “full democratization of decision-making processes in terms of social and gender issues.”

The Arab Maghreb Union (AMU), as the Regional Economic Community that covers the Maghreb and Egypt, has a fundamental role to play in the integration of the region and its participation in the CFTA, Saadi asserted. Established in 1989 but currently mostly dormant, the AMU is intended as the building block of Maghreb accession to the CFTA. Saadi recommended (and the workshop embraced) a proposal for civil society advocacy and government engagement to strengthen and revive the AMU, including through reexamining its founding treaty as a starting point. His paper calls for implementing provisions of the AMU treaty regarding joint ventures and action around production, common resources, and improving bargaining positions. Reconstituting the AMU could also help to streamline and rationalize the multiplicity of overlapping regional and sub-regional agreements applicable to North Africa, as Saadi’s paper outlines.

From this starting point, participants envisioned regional integration – of the Maghreb, of broader North Africa, as well as with the Arab States and the African continent – as a process that will benefit workers, consumers, and producers, women and men, if orchestrated according to a democratic and developmental framework. Jihen Chandoul of Observatoire Tunisien de l’Economie summarized the factors contributing to the low level of integration: unstable sociopolitical contexts,

¹ A draft of Mohamed Said Saadi’s paper, “North Africa’s Trade Arrangements: Complementarities and Contradictions with the Continental Free Trade Area” was shared with workshop participants in [English](#), [French](#), and [Arabic](#). The final paper will be published by Friedrich-Ebert-Stiftung, Arab NGO Network for Development, and Regions Refocus by the end of 2017.

an absence of regional leadership, and an integration process that does not take into account a strategic vision for the region. Shifting priorities towards horizontal, development-focused integration is key, Chandoul concluded, to benefit local enterprise and the development agendas of the Maghreb.

Achieving transformative regionalism in the Maghreb and beyond will require rebalancing governments' priorities, which have so far tended to focus on vertical integration with Europe rather than horizontal integration with their neighbors. Abdeljelil Bedoui of the Forum Tunisien pour les Droits Économiques et Sociaux drew attention to the “flagrant contrast” between the multiplicity of trade arrangements entered into by Arab states and the “structural weakness of Arab integration in general.” Mohammed Benayad, Secretary General of the Moroccan Ministry of Trade, made a similar point regarding the contradictions between efforts to integrate at sub-regional or continental level and the myriad of free trade agreements (FTAs) signed by North African countries with external actors such as the EU, UK, Turkey, and China. These relationships commit governments of the Maghreb to terms that pose significant challenges to regional integration.

Najib Akesbi, an economist with the Institut Agronomique et Vétérinaire Hassan II, posited that due to the export orientation of these FTAs signed by Maghreb countries, the region's productive sector is uniformly declining, accompanying the explosion of trade deficits and a process of deindustrialization. Ashraf Hussein of Egyptian Initiative for Personal Rights spoke of the “race to the bottom” in working conditions and wages engendered by the attempts of countries in the South to remain competitive through cheap labor in the context of this export-led development model. Further, countries tend to sign FTAs regardless of the likely loss of revenue. This is particularly concerning in a context like that of Sudan, which garners 77% of its revenue from export taxes, as illustrated by Medani Mohamed of the National Civic Forum of Sudan. FTAs' slashing of export taxes combined with the driving down of labor conditions and wages means that free trade is unlikely to lead to development on its own, Hussein asserted. In this vein, Akesbi argued that the role of FTAs should be reframed, to serve as tools to advance states' economic policy objectives.

In envisioning proposals for transformative integration for the Maghreb and beyond, participants in a break-out group facilitated by Mbathio Samb of African Institute for Economic Development and Planning (IDEP) emphasized the need for adequate infrastructure to facilitate trade as well as the movement of people, which was positioned as a key element of integration and a mode of connection that could help ameliorate some of the political differences within the region. Industrial policy and the building of productive capacity were also highlighted, including as a mode of promoting regional value chains to increase the value of exports. The need for regional standards of agricultural regulation and processing was mentioned by this break-out group as well as by two trade unionists from Tunisia, Karim Daoud of Synagri and Itaf Mejri of l'Union Tunisienne de l'Agriculture et de la Pêche.

Many of the participants pointed out that in addition to the economic relations that structure the Maghreb's relationship to itself and its neighbors, political problems also serve as significant obstacles to integration. Addressing the civil war in Libya and the Morocco-Algeria conflict are necessary pre-conditions to establishing meaningful integration in the Maghreb and therefore as a stepping stone to broader integration of the Arab region and especially for the CFTA, participants strongly asserted. Redouane Benchikh, a journalist from Algeria, continually reminded participants of the need for regional solidarity beyond economic dimensions, illustrating how civil society like those gathered at the workshop could lead the way in coming together despite political differences within the region. "There is no alternative solution, therefore we need to build our regional integration" through the Maghreb and across Africa, Saadi asserted.

- North Africa's Trade Arrangements: Complementarities and Contradictions with the CFTA – Paper by Mohamed Said Saadi: [English](#), [French](#), [Arabic](#)
- Les accords commerciaux de l'Afrique du Nord et Zone de Libre Échange Continentale – [Presentation](#) by Mohamed Said Saadi (French)
- Free Trade – Civil Society Perspective: [Presentation](#) by Ashraf Hussein (English)

The CFTA and its Implications for North Africa

Given the overall objective of transformative regionalism for North Africa as outlined through the workshop discussions and Saadi's paper, participants turned their focus to the ongoing negotiations at the African Union to develop a Continental Free Trade Area (CFTA). Beginning with keynote presentations by Tetteh Hormeku-Ajei of Third World Network-Africa and Mehdi Mehamha of African Trade Policy Centre at United Nations Economic Commission for Africa (UNECA), the workshop examined the genesis of the CFTA as well as its current political situation and the potential implications for (North) African industry, agricultural producers, and workers. Mehamha provided an overview of the rationale for the CFTA as well as the current context of its negotiations, including the key update that AU member states have agreed on a threshold of 90% liberalization of tariffs on goods. This liberalization will be delayed for 10-15 years for goods on a "sensitive goods list," though criteria for exclusion was still being developed, by UNECA and UNCTAD at governments' request.

Much of the discussion around the CFTA focused on its ambitious anticipated deadline for agreement of December 2017. Participants raised the concern that this quick turnaround leaves insufficient time for democratic debate and civil society consultation, and precludes the opportunity for discussion around complementary economic policies that should be applied to ensure the CFTA does not harm producers and consumers in the less industrialized countries in Africa. Mehdi agreed that the December deadline poses a "major challenge," especially since the final meeting of African Heads of State and Government (HoSG) is intended to adopt the CFTA agreement, leaving only two cycles of meetings of senior trade officials and ministers to negotiate the terms. While acknowledging the decision by HoSG to fast-track the CFTA and their commitment to agree it by

the end of this year, Tetteh articulated the common understanding that this timeline raises a challenge for citizens in terms of ensuring the agreement reflects national and regional needs and concerns. Asserting that HoSG should delay the adoption of the agreement in order to ensure time to reflect the issues at stake, Tetteh explained some of the political and economic dimensions into which the CFTA would intervene.

Tetteh proposed beginning from the premise of determining what African countries require to become autonomous drivers of their own development, and then articulating the role of trade and of the proposed CFTA in achieving that scenario. Some measure of trade liberalization is necessary due to the small size of most African economies, he posited, but trade agreements including the CFTA should explicitly strive to address the constraints of African economies rather than exacerbate them. As discussed during the workshop's framing of transformative regionalism, structural transformation of Africa's economies requires promoting productive capacities; expanding infrastructure; and integrating markets, which in turn requires creating markets (in land, labor, etc.) where they do not exist. Tariff liberalization, as proposed by the CFTA, is just one element of market integration, itself just one element of the kind of regional integration that can lead to structural transformation, Tetteh explained. The negotiations as they have unfolded so far, with a bias towards extreme tariff liberalization and deregulation of services, "do not take proper cognizance of the actual challenges that will make trade liberalization fit the needs of building productive capacity."

Ensuring the CFTA makes provisions for countries with differing levels of industrialization and productive capacity (referred to as "variable geometry" in the CFTA principles) is key, Tetteh continued, in preventing tariff liberalization from eradicating domestic industry in countries that cannot compete with their larger neighbors. Uganda's dairy industry, for example, cannot provide products as cheaply as Kenya's, so Kenya will be at a clear advantage in a proposed CFTA. How can Africa liberalize its dairy sectors, Tetteh asked, while still giving space for Uganda to catch up?

Sayed Elbous, Egypt's Senior Advisor to the Minister of Trade and chair of the CFTA Negotiation Forum immediately preceding the Rabat workshop, responded that special and differentiated treatment (SDT) is part of the guiding principles of the CFTA, which will offer a "5+5" extension to least developing countries (an additional five years after the five years in which all countries are expected to reduce their customs duties under the CFTA). Tetteh harkened back to UNCTAD's previous approach of differential and more favorable treatment, under which LDCs would be exempt from obligations. Following the WTO principle of SDT, Tetteh explained, simply makes the same rules obligatory over different timelines, which may not be enough to staunch productivity and trade losses expected under the CFTA. Rather than simply extending the timelines by which states are required to liberalize tariffs, Tetteh called for the inclusion in the CFTA of different mechanisms of protection according to different categories of vulnerability, to reflect the diversity of production systems the CFTA will cover.

Another challenge posed by the CFTA for North Africa is its relationship with existing regional economic communities (RECs) currently at varying levels of integration. For example, Benayad raised the question of trade preferences. Morocco has recently requested to join the West African REC, ECOWAS, which has an FTA and a customs union. Will joining the CFTA render existing tariff levels moot? This question is further complicated by existing trade arrangements between African RECs or individual countries and the EU. If European goods have access to African markets at more or less the same preference as goods from other African countries, this potentially erodes both the advantages offered through existing agreements and the potential benefit of a CFTA. These issues of coherence, Benayad concluded, have yet to be discussed at national or regional level. Elbous added a further layer of complication, referring to North Africa's position as "between Africa and Europe." While serving as a conduit for European goods may benefit certain North African countries, this is likely to entrench, rather than address, infrastructure and trade deficits experienced by the rest of the continent.

Both Saida Drissi Amarani of l'Association Démocratique des Femmes du Maroc (ADFM) and Nouzha Lamrani of Mohamed V University raised the important concern of how the CFTA might affect women in North Africa and throughout the continent. Imbuing the CFTA with feminist principles, while an aim articulated by Regions Refocus and TWN-Africa in our collaboration around the agreement, is difficult when the CFTA ignores not only the gender dimensions of its implications but also the potential impacts on employment, agriculture, and productive capacity. While the African Union does have joint agreements on agriculture and gender, the CFTA makes no reference to these frameworks in its principles or modalities. A break-out group coordinated by Salam Said, coordinator of FES's "For Socially Just Development" project, proposed that the text of the final CFTA agreement include an article referring to alignment with existing international and AU agreements on workers' rights, women's rights, and protecting small-scale farmers and producers. Nouzha posited, however, that as long as the CFTA and other trade relationships are based on a model of exporting agricultural products, their impact on women will be essentially negative due to women's overrepresentation in export sectors and low-paying work. She recommended including a transition period for exports and dedicated policies to address small-scale, women's-labor-intensive modes of farming.

Finally, the workshop continually referred to the lack of civil society engagement in the CFTA process thus far and the urgent need for the negotiations to be guided by dedicated modalities to share information with and hear perspectives from women's groups, agricultural producers, trade unions, domestic private sector actors including business associations, and civil society at large. Imbuing the negotiations with solidarity and other guiding principles, perhaps in a charter, was expressed by Redouane Benchikh as a potential way forward, while acknowledging that the HoSG may rush through to arrive at a CFTA agreement without institutionalizing civil society participation at the continental level. Sayed Elbous pointed out that consultation with various stakeholders is supposed to be undertaken at national level as part of AU member states' arriving at their

negotiating positions, but none of the North African participants had heard of opportunities to engage with their governments on the CFTA.

Mohammed Benayad, Secretary General of the Ministry of Foreign Trade of Morocco, shared that his ministry is currently working on the implementation of a 2015 law requiring formal consultation with civil society in foreign trade agreements. Several participants commended Morocco for this measure and suggested similar legislation throughout the region. Additionally, break-out called for the CFTA Negotiations Forum to institutionalize civil society consultation, and/or to push the deadline back to allow sufficient time for engaging potentially affected groups. Equally important, the workshop emphasized the lack of information forthcoming from the CFTA process and emphasized the need to coordinate efforts to both advocate for the public's right to information and share analysis amongst civil society ourselves. Najib Akesbi reminded participants of the "democratic deficit" underlying the current landscape of trade agreements, which must be addressed as part of the rights-based approach to the CFTA claimed by civil society present.

Overall, the workshop raised urgent questions of how the CFTA can contribute to industrialization and development while promoting efforts towards gender equality and improving the conditions of small producers, in North Africa and throughout the continent. Concrete recommendations, such as including a people-centered compensation mechanism within the CFTA agreement or coordinating strategic litigation on behalf of civil society, emerged from the discussions. Getting these and other important concerns of infrastructure, free movement of people, and required industrial policy into the CFTA framework will prove challenging, especially if the agreement is to be concluded by December as planned. The primary lens for civil society engagement around the CFTA and other trade relationships, Saadi asserted, is to consider who will benefit and how the needs of the majority of the population will be met. These political and economic choices can prevent or enhance developmental efforts, added Ziad Abdel Samad of Arab NGO Network for Development, emphasizing the importance of broad-coalition building, awareness-raising, and advocacy around the right to development and the trade relationships of both the Arab states and the African continent.

- Zone de libre-échange continentale: Enjeux et perspectives: [Presentation](#) by Mehdi Mehamha (French and English)
- North Africa Trade and Economic Arrangements: [Presentation](#) by Sayed Elbous (English)
- CFTA Primer (Regions Refocus and Third World Network-Africa): [English](#), [French](#)
- African Civil Society Recommendations on the CFTA: [English](#), [French](#)
- [CFTA Timeline](#) as of June 2017 (English)

Next Steps

The workshop concluded with strong consensus on the need to take forward discussions around the CFTA and its implications for the region, through civil society networks and engagement with media, parliamentarians, and policy-makers. Disseminating information and analysis, creating or

strengthening existing networks, and continuing dialogues in person and/or virtually were highlighted as steps forward during the concluding strategy sessions. Public awareness of the CFTA, particularly through the media, will be an important foundation for effective mobilization to advocate for a CFTA that addresses industrial and agricultural policy concerns and, if necessary, to delay its agreement. Democratizing mechanisms of decision-making, at both AU and national level, is also essential including in targeting industrial and commercial associations that influence states.

The workshop emphasized the role of civil society not only in mobilizing in awareness-raising but also as political actors, including in achieving an end to the standstill within the Maghreb. Capacity-building and training, for civil society but also media, Parliamentarians, policy-makers and even the trade negotiators should also be a focus at national and regional level, participants agreed. A potential collaboration for such trainings with the African Institute for Economic Development and Planning (IDEP), a preeminent pan-African institution, was also proposed.

The co-conveners of the workshop, Arab NGO Network for Development, l'Espace Associatif, Third World Network-Africa, and Regions Refocus, each confirmed their commitment to carrying the work forward. Concretely, ANND and other participants suggested forming a North African network to continue the work begun at this meeting and begin implementing the recommendations that emerged. l'Espace Associatif pledged to continue collaboration in the next phase of work, including around advocacy with the Moroccan government and ensuring civil society space in the CFTA discussions. This requires an in-depth reflection to define the framework for the development model as defined by the people of the Maghreb and beyond, which the CFTA and other trade arrangements should support. TWN-Africa, as coordinator of Africa Trade Network, shared plans for potential additional upcoming meetings, both sub-regional and continental, to enable effective intervention around the CFTA.

Regions Refocus will be editing and sharing videos of both the workshop proceedings and interviews with several of its participants, to further the reach of the discussions and share its outcomes. RR will also continue to build feminist analysis of trade issues within each subsequent sub-regional process, including through cross-movement alliance building and collaboration with Africa Trade Network.

- [Photos of the workshop](#) (via the Regions Refocus Facebook page)
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