

Knowledge Event on “Trade, Employment and Post-COVID Integration in Global Value Chains (GVCs)” What accompanying policies are needed to reap employment benefits in Egypt, Morocco and Tunisia?

27 JULY 2021 | 15:00-17:30 PARIS TIME (09:00-11:30 AM EDT)

By: Center for Mediterranean Integration & The World Bank

SPEAKERS

- **Blanca Moreno-Dodson**, Manager, The Center for Mediterranean Integration (CMI)
- **Hans Hoogeveen**, Practice Manager, Poverty and Equity Global Practice, Middle East and North Africa, World Bank Group
- **Raymond Robertson**, Director of the Mosbacher Institute for Trade, Economics, and Public Policy, Professor, and Helen and Roy Ryu Chair in Economics and Government, Texas A&M University
- **Gladys Lopez-Acevedo**, Lead Economist, Poverty and Equity Global Practice, World Bank Group
- **Danny Leipziger**, Managing Director, The Growth Dialogue and Professor of International Business, George Washington University
- **Chahir Zaki**, Associate Professor of Economics at the Faculty of Economics and Political Science, Cairo University
- **Mariarosa Lunati**, Senior Advisor, Global Relations Secretariat, OECD
- **Senen Florensa**, President of the Executive Committee of IEMed (European Institute of the Mediterranean)
- **Daniel Lederman**, Economist and Deputy Chief Economist for the Middle East and North Africa Region of the World Bank Group

MODERATOR

Constantin Tsakas, Senior Policy Analyst, The Center for Mediterranean Integration (CMI)

THE AGENDA

15:00-15:10: Opening by **Blanca Moreno-Dodson** (CMI) and **Hans Hoogeveen** (World Bank)

15:10-15:30: Presentation by **Raymond Robertson** (*Professor Texas A&M*) and **Gladys Lopez-Acevedo** (World Bank) presenting the results of the study on *International Trade and Labor Markets : Preliminary Evidence from Egypt*, discussing the job externalities induced by trade and implications of reshuffling of GVCs in the region.

15:30-15:50: Presentation by **Danny Leipziger** (The Growth Dialogue), on the need for a *Post-pandemic development strategy in Egypt, Morocco and Tunisia* (forthcoming CMI-GD report), one that efficiently addresses employment issues.

15:50-16:05: Intervention by **Chahir Zaki** (Cairo University) on how Trade Openness and future DCFTAs need to be revisited to allow for more inclusiveness and positive impact on employment, including informal.

16:05-16:20: Intervention by **Mariarosa Lunati** (OECD), discussing on the findings of the UfM-OECD report on Euro-Mediterranean Regional Integration, offering policy recommendations on how future trade cooperation can bring more inclusiveness.

16:20-16:35 Intervention by **Senén Florensa** (IEMED), on the need to Rethink Euro-Mediterranean Relations in Corona Times, and on how the coronavirus crisis could serve as the opportunity for the EU and Southern neighbours to move forward together along the road to recovery.

16:35-17:15 : Open **Q&A session** with the discussants, taking questions from the audience (possible talking points below).

17:15-17:30 Concluding remarks by **Blanca Moreno-Dodson** (CMI) and **Daniel Lederman** (World Bank)

Possible points of Discussion during the Q/A

A recent study (Ecorys/CASE/FEMISE, 2021) evaluating the six Euro-MED FTAs concluded that while the agreements helped to increase trade, they did not meet expectations in part because i. they focused too narrowly on reducing tariff barriers of industrial products trade, ii. agriculture and services were left out and iii. intra-Med integration was not achieved. Moving forward, they suggest among other things : reducing non-tariff barriers, improving the business environment and extending the coverage of trade agreements, which were also recommendations of the WB Mena Economic Update (2020).

- Q1. For Med countries to better integrate in GVCs, they must make convergent NTM (non trade measure) reforms. How best can this be implemented efficiently? (*Rayond/Gladys, Mariarosa*)
- Q2. What are the conditions for a successful GVC participation in the Mediterranean, one that creates jobs ? What type of Global Value Chains and Regional Value Chains could be deepened in the South and East Mediterranean ? (*Rayond/Gladys, Chahir, Danny*)

A forthcoming CMI-FEMISE report (2021) notes how even when the Med countries know how to produce and export a product, in which they have a high comparative advantage, this product can be found on the European market almost entirely imported from China. For most of the intermediate goods considered to be important in the exports of the Med countries, Chinese products have completely submerged the EU market by becoming almost the only suppliers. However, European policies could directly contribute to stimulating exports from the South and thus jobs creation (WB MEU, 2020). The EU could take measures to facilitate exports from their Med trading partners.

- Q3. What could such EU measures be and how can the EU initiate a major relocation policy by including Med countries ? (*Danny, Senen*)
- Q4. How feasible is a return to talks on a mobility partnership to further facilitate legal migration for Med businesspeople, students and young workers ? (*Senen, Mariarosa*)

The recently launched African Continental Free Trade Area (AfCFTA) also seems to show promise. Among other things, it has the objectives to eliminate tariffs and non-tariff barriers to trade in goods, liberalize trade in services, increase cooperation on investment, intellectual property rights, and competition policy and many more.

- Q5. What needs to be done for integration through the AfCFTA to become a vector of increased employment ? (*Chahir, Rayond/Gladys, Mariarosa*)

Several reports, including the recent CMI-GD report (2021), highlight that human capital seems to be a major constraint for SMEs in the region, with Female Labor Force Participation Rates close to 20%.

- Q6. What do you see as viable strategies for enhancing skills acquisition needed to attract new economic activities related to trade ? (*All*)
- Q7. What policy actions can promote job growth, especially for women? (*All*)