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Project title: **The Political Economy of Governance in the Euro-Mediterranean Partnership**

Beirut Workshop Report

March 2008, Beirut

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1. List of Participants at the Workshop

Go-EuroMed Workshop Participants, 26th-27th February, Beirut

	Last Name	Name	Institution	E-Mails
1	FURNESS	Mark	Jean Monnet Centre of Excellence FU – Berlin	markfurness@go-euromed.org
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2. Workshop Programme

GO-EuroMed, Beirut Workshop 26th – 27th March 2008, The Lebanese Center for Policy Studies	
	Wednesday, 26th March 2008
20:00	Welcoming Dinner – Chez Sami Restaurant
	Thursday, 27th March 2008
	Workshop
10:15 – 10:30	Welcoming Remarks Oussama Safa The Lebanese Center for Policy Studies (LCPS)
10:30 – 11:30	First Working Session WP 11 – Institutional Strategies 1: Domestic Institutions Chair: Pablo Gándara, Germany Presentation: Sabanci University Istanbul, Turkey presented by Jamil Mouawad, LCPS, Lebanon Presentation: Nada Zouag, Al Akhawayn University, Morocco Presentation: Presentation by Jad Chaaban, LCPS, Lebanon Discussion by the Consortium
11:30 – 12:00	Coffee Break
12:00 – 13:00	Second Working Session WP 12 – Institutional Strategies 2: Bilateral Institutions Chair: Jad Chaaban, LCPS, Lebanon Presentation: Katarzyna Zukrowska, Warsaw School of Economics, Poland Presentation: Yasmien Tabbaa, CSS, University of Jordan Presentation: Mark Furness, Freie Universität, Berlin, Germany Discussion by the Consortium
13:00 – 14:30	Lunch

14:30 – 15:30	<p>Third Working Session</p> <p>WP 13 – Institutional Strategies 2: Multilateral Institutions Chair: Ibrahim Saif, CSS, Jordan Presentation: Nada Zouag, Al Akhawayn University, Morocco Discussion by Consortium</p>
15:30 – 16:00	General Comments and Remarks
20:00	Dinner
	Friday, 28th March 2008
08:00	Cultural Day - Baalbek

3. Minutes

3.1. Session 1: WP11 – Institutional Strategies 1: Domestic Institutions

Presentation by Jamil Mouawad for Sabanci University Istanbul, Turkey:

- Common argument: Turkey influenced by presence of double-external anchor: IMF and EU → Big incentive for domestic institutions for change and deep-seated institutional reforms
- Aim: Examination of implementation of reform measures concerning Copenhagen Criteria and their impacts on Turkey's political life and institutions
- Objectives: - encourage MPC'S to approximate domestic legislations to EU
- show costs and benefits of political reforms
- Structure: 1. History and Characteristics of Transformation Process in Turkey
2. Democracy (State Coherence, Political Participation, Rule of Law, Institutional Stability, Political and Social Integration)

Presentation by Nada Zouag, Al Akhawayn University, Morocco:

- Knowledge is most important driver for technological and institutional changes
- Institutions, mainly free markets and trade require further enforcement of Intellectual Property Rights (IPR's)
- Importance of IPR's in economic development and in the promotion of competitiveness
- Existence of interdependent components that link need of domestic institutions with their economic and social implications reg. IPR's
- Methodologies and Data: - description of institutions in charge of enforcing IPR's
- descriptive analysis FDI, trade, enterprise creation, economic performance in MPC's
- analysis of formal vs. informal sector in area of enforcing IPR's
- support of descriptions above by case study of protection of software
- Implications & economic policy changes: - effectiveness of protection and economic implications (FDI, Trade, other agreements
- domestic institutions and economic policy changes

Comments:

Ibrahim Saif: Informal Analysis: - What data?

- Case study? Data only available for Morocco
- mainly addressing agricultural sector in Morocco

Presentation by Jad Chaaban, Lebanese Center for Policy Studies, Lebanon

Comments:

Ibrahim Saif: - selected countries (Palestine and Lebanon), but others should be included (e.g. Egypt) and even EU countries (Poland) to show how things went/can go, otherwise it is a static analysis
- evaluation of IMP: in Jordan no incorporation in Ministry of Economics, instead perfect parallel system

Oussama Safa: - Singapore as a successful model

Katarzyna Zukrowska: - in which way are FDI channelled? Controlled by agencies? Is the access to the market free? Are foreign investors treated differently than home ones? What are the habits of foreign investors?
- comparison necessary as mentioned: look at EU countries and then go into detail covering MPC's

Jad Chaaban: - Lebanon and Jordan: reforms are driven to attract FDI's → dangerous to look at EU as helping to attract FDI's
- domestic institutions need to be strengthened
- What demands of IPR's for local people if they are inventing? Good way of including domestic and not only foreign companies

Katarzyna Zukrowska: - if reforms in region are driven by cooperation, data and tables of the scope and extent are needed

Pablo Gándara: - Lebanon Paper: concerning contract enforcement, there are already huge differences amongst EU countries
- concerning policy recommendation: EU not dealing directly with private sector → problem?

Mark Furness: - 3 case studies concerning domestic institutions of Turkey, Morocco and Lebanon; but important is the wider lessons and implications for the region
- Paper 1: Assessment more important than analysis of literature
- Paper 2: implications of IPR's on trade and investment, but is literature saying in IPR's in general and where are IPR's fitting in?
- Paper 3: policy recommendations for domestic governments will be given, but what is EU supposed to do?

3.2. Session 2: WP12-Institutional Strategies 2: Bilateral Institutions

Presentation by Katarzyna Zukrowska, Warsaw School of Economics, Poland:

- bilateral liberalization based on assumption that trade brings prosperity to both sides engaged
- but : direction and symmetry in this process? What are possible options in negotiation strategies and margins of outcome ?
- clarification of what is better for economies developed to a lower level while establishing a free trade zone
- intention of MPC's concerning planned liberalization moves
- objectives & implications : - types/different models of agreement between EU and MPC's
 - time frame and what are the stages for optional/possible full liberalization
 - possible ways of MPC's aggregating their positions ; regional leader ?
 - possibility of countries in region opening up symmetrically in relations with EU (consequences for country and well as for region)

Presentation by Yasmeen Tabbaa, Center for Strategic Studies, University of Jordan:

- two decades of structural adjustment in MENA region have shown:
 - no direct link between economic and political liberalisation
 - economic liberalisation does not necessarily lead to increased FDI
 - tariff dismantling is not sole factor in impeding economic growth
 - trade openness less beneficial to economic growth in MENA due to quality of institutions, modest stock in human capital, educational systems, sensitivity to external shocks, socio-political instability
- scope of research: institutional improvement and its effect on increasing exports and economic growth concerning: - certification schemes/regulation for products
 - investment rules and regulations
 - technical assistance programmes
- 1) case studies: Jordan, Egypt, Morocco
- 2) Policy recommendations and conclusions

Presentation by Mark Furness, Freie Universität Berlin, Germany:

- migration: old phenomenon, but 'securitised' in recent years
- supply and demand for economic migrants from MPC's to EU to grow during next decades, as will the number of illegal migrants
- Research Focus: - anti-illegal migration policies coordination among EU
 - negotiation process between EU and MPC's on policies for controlling illegal migration
 - identification of institutional means, by which governments may pursue pareto-improving negotiations on illegal migration and which may support the Barcelona Process' Human Rights objectives
- development of coordination of EU governments on how to respond and decide upon channels of through which bargains with MPC's are conducted

- institutional outcome of Euro-Mediterranean bargaining process on illegal migration

Comments:

Jad Chaaban: - Paper 1: more general assessment of FTA is needed
- Paper 2: comparison needs to be established
- Paper 3: illegal migration; push-and-pull factors beyond a cost-use analysis needed
- criss-crossing of agreements: bilateral institutions sometimes work and sometimes not

Pablo Gándara: - Polish Paper: loads of work on analysis of Euro-Med FTA's was done by JMC in 2006
- one needs to be aware of processes that are already going on concerning the implementation of FTA's and liberalization
- Jordan Paper: based on last years work; should include comparison with US FTA's

Ibrahim Saif: - Zukrowska mentioned way negotiations take place between EU and Poland; common impression: both sides are positioned somehow negatively, that is why institutions are needed to avoid angry discussions
- but it is too late to look into a process that is already going on
- German Paper: how is illegal migration going to be linked to the other 2 papers? But it is important as paper talks about non-market institutions.

Katarzyna Zukrowska: - German Paper: What are the possibilities of keeping the people at home? Brain-Drain? Question is not whether EU is profiting, but whether it is illegal?

Mark Furness: - but what are the alternatives? one cannot just give up

Ibrahim Saif: - question of illegal turning into legal (see building sector)

Katarzyna Zukrowska: - construction/building sector very important → stimulating overall growth
- supporting economy by demanding production from smaller medium-sized businesses

3.3. Session 3: WP13- Institutional Strategies 3: Multilateral Institutions

Presentation by Nada Zouag for Al Akhawayn University, Morocco and LEO, France:

- Return migration (RM) plays keyrole in fostering development
- Data Issues:
 - Data on remittances, World Bank bilateral database
 - Contribution to development: per capita GDP
 - HDI of UNDP
 - Human poverty index, gender measure index
 - Difference in 'country' risk, 'income' risk linked to labour market
- International Contributions:
 - role of MIREM projects
 - TOKTEN: UNDP
 - FINCOM- Morocco and other projects in other countries
 - What can be learned from the Portuguese and Spanish experiences?
- Part 1: Review of Reports and Literature about Multilateral Institutions & Returning Migrants
- Part 2: MPC Country Cases of Multilateral Institutions & Returning Migrants

- What kind of model of competition/cooperation between EU and other actors? What is happening in the specific projects? Make proposals for the future in terms of improving the cooperation. → May be too ambitious
- Analyse (again) the institutional system of the EMP taking into account the new devts/initiatives such as the Sarko proposal. 5+5

Comments:

Pablo Gándara: - Robert Schumann Centre and FEMISE Publications should be taken into account

Mark Furness: - overlap needs to be avoided

Ibrahim Saif: - take work of Anna Lindh Foundation into account and data of University of Sussex that is available on Internet
- question of security: Morocco has half a million migrants in Gulf Region → no security issue for Europe

Beata Jagiello: - brain-drain on one side; hands on the other side
- question of student exchange; BUT: no migration

Nada Zouag: - brain-drain and gain is mit solely negatively connotated

Pablo Gándara: - Spanish Paper going for institutional analysis

4. Closing Summary and Remarks:

Pablo Gándara summed up the discussions of the 3 sessions and presented three more important points:

- 1. Report of Madrid Conference

The GO-EuroMed Madrid Conference including the minutes and a picture gallery is available on www.go-euromed.org

- 2. The Way Forward

The following steps of the final year of Go-EuroMed, as agreed on in Madrid, were recalled. As well as an invitation extended to the Consortium concerning the Cairo Conference of the Macroeconomic Policy Standing Group taking place in Egypt the 7th May.

	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.
Workshops & Conferences	21st-22nd MADRID	26th -27th Beirut Workshop						21st -23rd Berlin Workshop		27th-29th BRUSSELS FINAL CONFERENCE
Deadlines		10th of March ! Working paper outlines to WP coordinators 17th of March ! Working package outlines to JMC		31st of May ! Working paper drafts to coordinator		31st of July ! Working paper drafts to JMC	31st of August ! complete working packages to JMC			

3. Workshop Berlin

The next meeting of the Consortium is going to take place in September in Berlin. There the final versions of the Working Papers of Stage 3 will be presented and discussed. Afterwardsn preparations for the Final Conference in Brussels will be started.

5. Picture Gallery

