

Working Package 1: The Political Economy of Trade in EuroMed

Executive Summary

(By Coordinator JMC Berlin -Pablo Gándara & Max Büge-, posted on 31.08.06)

1. Introduction

As described in Annex 1, this Working Package focuses on what the EU and MPCs wish to achieve from their trade relations, and how they should realise these aims. Research concentrates on actors, preferences and regulatory and political institutional variables.

2. Issues of Working Package Members (Germany, France, Turkey, Egypt)

a. Working Paper JMC-Berlin (Germany)

- Working title: *The EU's Trade Policy towards the Southern Mediterranean: Coherence or Chaos?*
- Description: The key goal of this paper is to analyse whether EU's trade liberalization agendas covered in each of the individual EMAAs as part of a EuroMed FTA are coherent among each other (vertical coherence) as well as in line with the FTAs that the EU has signed with other regions of the world (horizontal coherence)
- Methodology: We first run a cross-over comparison of EuroMed FTAs and of EU's FTAs with Chile, South Africa and Egypt according to a set of criteria. We then explain EU's trade policy incoherence by using some two-level-game instruments assessing interests and coalitions.

b. Working Paper Sabanci University (Turkey)

- Working title: *Trade patterns and international competitiveness in EuroMed*
- Description: The main purpose of this research is to examine the international foreign trade pattern and the structure of specialization in foreign trade of (1) the EU 15 plus Bulgaria, Hungary, Czech Republic, Romania, Poland; and (2) European –Mediterranean (Turkey, Greece, Italy, France, Spain, Portugal); and (3) the Mediterranean countries included in the Euro-Mediterranean Partnership Project (MPCs) which was signed by the Southern and Eastern Mediterranean countries as well.
- Methodology: Based on 10 different indices we apply a comparative analysis between above countries in terms of their trade specialization. We then draw some lessons and make fundamental policy recommendations.

c. Working Paper Laboratoire d'Économie d'Orléans (France)

- Working title WP1: *Trade in services: How does it work for MENA countries?*
- Description: The paper deals with issues of negotiations in trade in services – especially under mode 3 and 4 – for MENA countries.
- Methodology: Econometric cross-over comparison and case studies
- Working title WP2: *Location of Industries in MENA countries, in EU and NMS: a Comparative analysis.*
- Description: Key research questions are linked to services specialization in MENA countries as well as to the concentration of services activities in MENA countries
- Methodology: Econometric cross-over comparison and case studies

d. Working Paper Center for European Studies at Cairo University (Egypt): missing