

European Union and the Mediterranean: Towards Integration

Final conference of the "UNIMED Business Network" project

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"MOVING FROM WORDS TO ACTION"

1. Ensuring successful economic and social integration in the Euro-Mediterranean region is one of today's main challenges. Euro-Mediterranean business has always been a strong supporter of the objective established by the Barcelona Declaration of creating a Euro-Mediterranean area of peace and shared prosperity, notably through the creation of a free-trade area by 2010. If this is to be achieved, pressing action is needed. We are halfway to the targeted deadline, and despite some progress, much remains to be done. At this speed of reforms and commitments the free-trade area will not be realised in 2010.
2. With this strategic objective, and beyond the current serious tensions, very present in all participants' minds, Euro-Mediterranean business organisations, meeting in Rome on 11 March 2003, on the occasion of the conclusion of the "UNIMED Business Network" project, call for a broader agenda and a new momentum in the Euro-Mediterranean integration process. In particular, they call on Euro-Mediterranean governments, the European institutions and all parties interested in the Euro-Mediterranean Partnership, to take action in the following two main areas: economic integration and the human dimension of integration.

Economic integration in the Euro-Mediterranean region

3. Business organisations note with disappointment that the low level of investments remains one of the main problems for development of the Mediterranean partner countries. In order to improve the attractiveness of MPCs, three preconditions have been highlighted again. It is absolutely essential to:
 - Establish a transparent and stable legal and economic regulatory framework supportive to entrepreneurship and innovation in order for the MPCs to participate fully in and benefit from the knowledge-based economy. Particular attention should be paid to the specific interests of SMEs.
 - Create rapidly a South-Mediterranean market. Business from the North and South of the Mediterranean warmly welcomes the conclusion of the negotiations on the so-called Agadir Agreement, designed to create a free-trade area between Egypt, Jordan, Morocco, and Tunisia. They ask for the agreement to be expanded to the other Mediterranean partner countries. In addition, they recognise the progress made in terms of conclusion of association agreements, but stress the importance of their timely and full implementation.

- Accelerate interconnection and interoperability of infrastructure networks. Euro-Mediterranean business calls for a regional action plan to rebalance EU investments in infrastructure to the South of Europe and towards the Mediterranean and calls for their direct involvement in the planning and realisation stages of these networks.
4. In addition to these framework conditions, business organisations ask for the following accompanying measures to facilitate foreign direct investment flows to the South :
- Develop innovative and flexible financial instruments to facilitate public private partnerships favouring, in particular, the creation and growth of local clusters of firms. That development should be encouraged through cooperation among players at local level.
 - Promote the development of regional competence centres (public-private, European and Mediterranean) to support firms' competitiveness. The centres should be able to provide local firms belonging to specific industries, particularly SMEs, with adequate training, technological guidance, and access to codified knowledge so as to favour innovation and integration.
5. However, Euro-Mediterranean economic integration will only be successful if it integrates fully in the liberalisation process underway in the framework of the WTO Doha Development Agenda. Priorities of the Euro-Mediterranean business organisations, which fully support the multilateral process, are improved market access for industrial goods, liberalisation of services markets and launch of negotiations on investment and trade facilitation at the WTO Ministerial Conference to take place in Cancun in September 2003. To achieve these results, cooperation should be strengthened between EU and MPC negotiators to improve mutual understanding and hence bring their positions closer together, and so facilitate the consensus necessary to move the process forward within the agreed deadlines. For their part, Euro-Mediterranean business organisations have agreed to intensify their dialogue to support these objectives and to ensure that companies' interests are fully taken on board to the benefit of all Members.

The human dimension of integration in the Euro-Mediterranean region

6. Political and economic integration cannot be successful without taking into account the social, human and cultural dimension, which should therefore be addressed as a priority. It is necessary to bring together societies towards a common cultural approach, open and respectful of differences. To achieve this objective, Euro-Mediterranean business organisations recommend the following specific actions:
- Education and training:
 - Increase the role of social partners in the definition of educational and training systems with specific regard to: analysis of training needs to promote competitiveness of enterprises and employability of workers;

encouraging systems of continuing vocational training; promoting e-learning.

- Support the extension of both the “Tempus” and “Leonardo da Vinci” programmes to all Mediterranean partner countries, in order to promote transfer of best European practices and mobility of students and workers. Such programmes should also have an impact on spreading knowledge of foreign languages.
 - Create a Euro-Mediterranean network of institutions involved in training and employment policies in order to promote debate on and dissemination of information and good practices.
- Develop a new immigration policy based on an in-depth analysis of companies’ needs in terms of workforce competencies, possibly through creation of databases highlighting local needs. Mobility of workers should be facilitated by flexible contracts, such as temporary work.
 - Act with a view to improving mutual recognition of qualifications through definition of minimum skills standards in the Euro-Mediterranean region. To that end, it would be useful to transfer best European practices to the south Mediterranean countries, with particular reference to agreements between social partners in the framework of lifelong development of skills and qualifications.

The role of business organisations in the Euro-Mediterranean integration

7. Euro-Mediterranean business organisations have a long and uninterrupted tradition of dialogue and cooperation, dating from before the start of the Barcelona Process. Since its launch in May 2000 in Tunis, the UNIMED Business Network project has widely stimulated exchanges of experiences and ideas among the participants, which was much appreciated by South Mediterranean partner organisations and has benefited all members.
8. The most remarkable achievement of the project has undoubtedly been to bring together business organisations from all twelve Mediterranean partner countries, without exception. It led to the creation of UMCE (Union of Mediterranean Confederations of Enterprises), in Istanbul in 2002. This achievement demonstrates that business is in advance of the political process and shows the way ahead. UMCE, through concerted action at regional level, is fully committed to actively supporting the process of South-South integration and creation of the Euro-Mediterranean free-trade area.
9. UMCE and UNICE will continue to work alongside each other in a dynamic way to move the Euro-Mediterranean Partnership towards a new dimension of cooperation.
