



# Agricultural Trade between North Africa and the EU in Times of Crisis

## *A focus on Egypt and Tunisia*<sup>1</sup>

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Despite the noticeable growth in agricultural trade volumes between North Africa and the EU, stubborn issues such as food insecurity, escalating poverty and hunger rates, widening social and gender inequality, and the degradation and exhaustion of vital natural resources persist. These challenges undermine the region's stride towards the Sustainable Development Goals (SDGs). The policy brief evaluates the relationship between agricultural trade policies and progress towards a number of the SDGs. A special focus is given to analysing the impact of agricultural trade policies between the European Union (EU) and Egypt and Tunisia.

## Agricultural Trade Policies and Unequal Exchange

The EU is the most important trading partner for both Egypt and Tunisia. The signing of the European External Action Service (EEAS) agreement between the EU and Egypt in Brussels on June 25, 2001 intensified trade relations between the two regions, with trade more than tripling since the trade agreement came into effect.<sup>3</sup> Approximately a quarter (25%) of Egypt's total trade is now transacted with the EU.<sup>4</sup> As for Tunisia, it was one of the first countries in North Africa to sign an Association Agreement with the EU in 1995. Since then, trade with the EU has steadily increased with European markets accounting for 70.9% of Tunisia's exports in 2022.<sup>5</sup>

The benefits of this trade are not distributed evenly between both regions. This unequal exchange becomes clear when we look at the nature of the products exported from Tunisia and Egypt to Europe. Both countries export citrus fruits and fresh vegetables to the European market, while Tunisia alone exports olive oil and dates. These are mostly extractivist exports - intensively using or exhausting land, water and other natural resources or intensively using energy and labor - with low added value.<sup>6</sup>

For example, most Tunisian olive oil is exported in crude form (90%) and at a low price (\$2.845 per liter in 2019) to Italy and Spain, where it is bottled and resold at higher prices.<sup>7</sup> This means a loss for Tunisia in terms of income while Italian and Spanish manufacturers capture most of the added value, benefitting from a stable and low-cost supply. Furthermore, a reliance on vast olive grove monocultural production for export has led to the depletion of water resources and land degradation in Tunisia, at the expense of natural pastures and land suitable for the cultivation of locally consumed grains.

Another example of this unequal exchange is that of the trade in potatoes between Egypt and the EU. Egypt is highly reliant on the import of seed potatoes from Europe, which make up almost 40% of the production cost. The top four importers are private companies which together control nearly 60% of annual seed potato imports, with a smaller number of exporters having access to foreign markets. After Egypt joined the Union for the Protection of New Varieties of Plants (UPOV) on the prompting of European partners, breeder's rights became protected with lawsuits filed in European courts to assert those rights against Egyptian agricultural export companies.<sup>8</sup> Meanwhile, the production costs of small-scale Egyptian potato farmers have only increased in recent years with the rising costs of inputs and the removal of key subsidies, including energy.

## Challenges facing agricultural trade between North Africa and Europe

Egypt and Tunisia demonstrate some of the broader challenges facing North Africa in its agricultural trading relationship with the EU. These include:

- **Food security and nutrition challenges:**

Egypt and Tunisia are facing a severe agricultural crisis, particularly due to fluctuations in global wheat prices which is a primary source of calories for both countries (30-40%).<sup>9</sup> Additionally, rural poverty and hunger are increasing due to the current economic crises and following on from the disruptions caused by the Covid-19 pandemic and the Russia-Ukraine war. In rural Tunisia, the poverty rate reached 24.8% in 2021, compared to 12.7% in urban areas.<sup>10</sup> In Egypt, a recent study on the impact of the pandemic on families revealed that 92% of the studied households reduced consumption and relied on cheaper food types, especially in rural areas.<sup>11</sup>

- **Environmental and climate challenges:**

Climate change projections predict increasing temperatures and decreasing rainfall, with more severe droughts and extreme weather events in North Africa. The region is expected to experience an average temperature increase of between 1.7 to 2.6°C, and drought is projected to increase by 150% between 2020 and 2070.<sup>12</sup> The region will also face rising sea levels, threatening coastal and low-lying agricultural areas such as Egypt's Nile Delta.<sup>13</sup> These changes will deepen climatic disparities between North Africa, which has significantly less rainfall than Europe, and European regions with relatively abundant rainfall, resulting in unequal values of exported and imported water units.

- **Gender and social challenges:**

In North Africa, agriculture is a major sector for female employment, employing around 55% of female labor compared to 23% of male labor.<sup>14</sup> With the growth of export-oriented agriculture, the feminization of agricultural labor has increased, including a reliance on young girls (sometimes as young as eight years old) under harsh working conditions due to the low cost of female and child labor.<sup>15</sup>

- **Unequal Economic Support Challenges:**

There is a vast discrepancy in the levels of economic support between the two regions. For example, European subsidy levels are estimated at around 700 euros/hectare, while it does not exceed 40 euros in Tunisia.<sup>16</sup> The situation becomes more complicated with the increase in European ecological based protectionism and the funds of the EU's Green Deal policies related to the importance of the ecological transition in the agricultural sector.<sup>17</sup>

- **Legal Frameworks and Unequal Power Relations Challenges:**

Free trade agreements have been signed between the European Union as a bloc comprising dozens of countries and North African countries individually. This approach weakens the negotiating capacity of North African countries and creates competition among them regarding the entry prices of their products into EU markets, resulting in low price levels. A key example of this is in the EU-Tunisia Association Agreement under which the EU grants Tunisia market access and duty-free privileges but only for agricultural exports that do not threaten European products, such as dates and prickly pear.

## Policy recommendations

The above challenges underscore the imperative for a thorough reevaluation of agricultural trade regulations and policies if progress towards the SDGs is to be made. The following recommendations are offered to move towards a more fair, equitable and sustainable agricultural trading relation within and between the two regions:

### At transnational level (EU-North Africa relations):

- 1 **Review Free Trade Agreements (Main actors: EU policymakers, North African trade ministers):**

Revise free trade agreements to ensure a more balanced and fair relationship between North African countries and the European Union. Address power imbalances by involving civil society in the negotiation process and establishing mechanisms for monitoring sustainability outcomes. The still to be completed Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Tunisia must be (re)negotiated along these lines if it is to benefit small and medium enterprises.<sup>18</sup> **(SDG 17: Partnerships for the Goals)**

- 2 **Forge a North African Trade Coalition (Main actors: North African diplomatic corps, EU trade officials):**

Strengthen the negotiating capacity of North African countries by forming a unified platform for agricultural trade negotiations with the European Union. Promote cooperation and coordination among North African countries to develop a common strategy for addressing agricultural trade challenges. **(SDG 17: Partnerships for the Goals)**

- 3 **Invest in Agroecology to Support a Just Agricultural Transition (Main actors: International financial institutions, EU development agencies, agricultural research institutes):**

Provide targeted financial and public policy support to small-scale food producers to enable the spread of agroecological practices, such as crop rotation, no till farming, use of organic fertilisers, oasis agroforestry, and mixed agro-pastoralism, that enhance ecological resilience and local livelihoods. Partner with civil society and research institutions, drawing on local and indigenous knowledge, to support an agroecological transformation at different scales.<sup>19</sup> End support for the expansion of unsustainable monocultures. **(SDG 13: Climate Action, SDG 2: Zero Hunger)**

#### 4 Balance Agricultural Subsidies (Main actors: European Commission, national agricultural agencies, finance ministries):

Address unequal support challenges by advocating for a fairer distribution of agricultural subsidies and assistance between European and North African countries. Encourage a re-evaluation of support mechanisms to empower North African nations to assist their small farmers using diverse methods. Assert the same right to a just transition for agriculture in North Africa as in Europe. Urge Europe to cease its support for austerity policies in North Africa. **(SDG 2: Zero Hunger, SDG 10: Reduced Inequalities)**

#### 5 Foster Agricultural Research Partnerships (Main actors: Research and scientific institutes, higher education institutions, UN and development agencies):

Bolster the capacity of North African nations in agricultural research, innovation, and technology transfer. Enhance collaboration between North African regional institutions and between North Africa and the EU through joint research programs, knowledge exchange, and technical assistance to address shared challenges and promote sustainable agricultural development. **(SDG 9: Industry, Innovation and Infrastructure)**

#### 6 Empower Small Farmers', Agricultural Workers' and Trade Justice Organizations (Main actors: Farmers' cooperatives, workers' unions, civil society organizations):

Defend the rights of farmers and agricultural workers to organize and ensure their voices are influential in regional policy discussions. Protect small-scale food producers' rights to land, water, seeds and plant genetic resources **(SDG 16: Peace, Justice, and Strong Institutions)**

#### At national level:

#### 7 Develop a Food Sovereignty Strategy (Main actors: National governments, regional coalitions):

Partner with regional organizations, such as Siyada,<sup>20</sup> to develop a food sovereignty strategy that centers on the needs of North African countries, promoting local production and self-sufficiency. **(SDG 2: Zero Hunger, SDG 12: Responsible Consumption and Production)**

#### 8 Support Territorial Markets (Main actors: National governments):

Adopt the 2016 Policy Recommendations of the UN Committee on World Food Security to enact public policies to support local, national, and regional food systems– what are also referred to as territorial markets. These markets are often more conducive to smallholders than global value chains and export markets.<sup>21</sup> **(SDG 2: Zero Hunger)**

#### 9 Adopt Sustainable Water Management (Main actors: National governments, local and regional water governance agencies):

Promote the adoption of water preservation techniques, and sustainable irrigation systems as well as the use of less water intensive, locally-adapted varieties in order to enhance climate change mitigation and adaptation. Increase transparency around water use rights and allocation and strengthen participatory water governance systems so that small farmers are not unfairly marginalised. Use tools such as the 'water footprint' to measure the trade in embedded water resources in order to draw attention to the (unsustainable) trade in water-intensive agricultural products, particular from arid, semi-arid and desert regions towards more water abundant regions. **(SDG 13: Climate Action, SDG 12: Responsible Consumption and Production)**

10 **Enact Appropriate Food Standards (Main actors: National food safety authorities, agricultural departments):**

Rather than imitating or adjusting agricultural preferences based on European demands, countries should develop their own standards and norms, drawing on indigenous knowledge, local plant varieties and animal breeds, and local consumer preferences. This can help to maintain food cultures in the face of external pressures. **(SDG 12: Responsible Consumption and Production)**

11 **Expand Public Agricultural Extension Services (Main actors: Agricultural extension departments, rural development agencies):**

Agricultural extension services provide farmers with the training and resources needed for sustainable agricultural practices. **(SDG 4: Quality Education, SDG 2: Zero Hunger)**

12 **Enact and Enforce Gender-Inclusive Policies (Main actors: Women's advocacy groups, national policymakers):**

Recognize and address the role of women in the agricultural sector by instituting gender-sensitive policies and promoting women's empowerment. Ensure labor laws safeguard female farmworkers and guarantee their access to education, healthcare, and social services. Promote female participation in agricultural decision-making processes and facilitate their access to resources. **(SDG 5: Gender Equality)**

13 **Improve Farmworker Rights and Remunerations (Main actors: Labor unions, national labor departments):**

Ensure adequate working conditions and remuneration for farmworkers, including their rights to a living wage, a healthy and safe working environment, and organizational representation. Special attention should be placed on the rights of female agricultural and farm workers. **(SDG 8: Decent Work and Economic Growth; SDG 5: Gender Equality)**

14 **Fortify the Cooperative Sector (Main actors: Cooperative networks, agricultural ministries):**

Strengthen the cooperative sector and enhance the representativeness within cooperative membership in order to promote knowledge sharing, mutual assistance, and improve the negotiating position of small farmers. **(SDG 8: Decent Work and Economic Growth, SDG 17: Partnerships for the Goals)**



# Endnotes

- 1 This policy brief builds on two in-depth reports, 'Olive Oil and Water: Moving Towards Sustainable Agricultural Trade between the EU and Tunisia' authored by Mustapha Jouili and 'Markets, Power, and Potatoes: An Analysis of Agricultural Trade between Egypt and Europe' authored by Mohamed Ramadan. These were published by TNI together with the Siyada network in September and December 2023 respectively as part of the MATS project. The brief has been significantly enhanced by valuable insights from participants of a workshop organised by the Tunisian Platform for Alternatives and TNI in Tunis in July 2023 which included farmers, NGOs, activists, producers' cooperatives, exporters, policy actors, academics and research experts. We thank them for their contributions. We also wish to acknowledge the assistance of the MATS team, in particular Mari Carlson and Bodo Steiner, and TNI colleagues, in particular Pietje Vervest and Hamza Hamouchene..
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- 19 For an overview of agroecological practices and networks in the North Africa region (Algeria, Egypt, Morocco, Tunisia), refer to El Nour, S. (2021). *Towards a just agricultural transition in North Africa*. Amsterdam: Transnational Institute. Available at: <https://www.tni.org/en/article/towards-a-just-agricultural-transition-in-north-africa>
- 20 The Siyada network mobilises for food sovereignty in North Africa and the Middle East. It brings together popular organisations, trade unions and social movements opposed to capitalism, environmentally destructive policies and all forms of racism, patriarchy and discrimination. [www.siyada.org](http://www.siyada.org)
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شبكة سيادة

SIYADA NETWORK

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The Siyada network mobilises for food sovereignty in North Africa and the Middle East. It brings together popular organisations, trade unions and social movements opposed to capitalism, environmentally destructive policies and all forms of racism, patriarchy and discrimination.

[www.siyada.org](http://www.siyada.org)



**MATS**

making agricultural trade sustainable

MATS aims to identify key leverage points for changes in agricultural trade policy that foster the positive and reduce the negative impacts of trade on sustainable development and human rights. Focus is on improving the governance, design and implementation of trade practices, regimes and policies at national, EU, African and global levels. The project partners aim to inform relevant debates and policy developments based on this diverse portfolio of perspectives. MATS wants to contribute to the development of a fair-trade system that supports local development and promotes labour and human rights on a global level.



The Transnational Institute (TNI) is an international research and advocacy institute committed to building a just, democratic and sustainable planet. For 50 years, TNI has served as a unique nexus between social movements, engaged scholars and policy makers.

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