

# 02

## CONVERGENCE THROUGH COPRODUCTION



Presentation of the report « Convergence », 2009

After a period of frantic globalisation, the global economy is undergoing a regionalisation process. IPEMED highlights the Regional Cooperation Agreements (RCA). They were less than 10 in 1990, 350 in 2012, and, in 2015, the WTO counted 650 of them, which shows that nations and companies now favour proximity and complementarity.

### COMPANIES ARE LOOKING FOR NEW SOURCES OF GROWTH

Global growth should offer new opportunities to European companies by relying on their comparative advantages in terms of innovation and quality. However, they do not seem to succeed in global competition. They have difficulties in increasing their performances, which has consequences on national economies, characterised by low growth, high unemployment and de-industrialisation.

In the South, the industrialisation process driving development did not accelerate. Most countries neglect the stakes of industrial development. Yet, to answer the endemic unemployment rate, they must

engage quickly in their economic and social transition.

### BOOSTING ECONOMIC INTEGRATION WITH NEW SOURCES OF GROWTH

Following the example of Japan with the Dragons and Tigers, of Germany with Central and Eastern European Countries, of the United States with Mexico (*maquilado-*

ras) and of China with South East Asia, Euro-Mediterranean countries could, by combining their resources, get organised to generate profits for the entire region. Companies could strengthen their positions on their markets and expand beyond their traditional spheres of influence, especially towards Sub-Saharan Africa.

Aware of this potential, IPEMED focuses its works on promising growth sectors (energy, water, agriculture, etc.) while carrying out cross-cutting works (investment security, PPP, economic mobility) in order to overcome the obstacles to the development of productive partnerships among Euro-Mediterranean companies.

### A NEW MODEL OF WIN-WIN ECONOMIC PARTNERSHIP BETWEEN THE TWO SHORES

Since its 2009 Convergence report, IPEMED observed the emergence of new investment dynamics. While

M. Schultz, A. Montebourg, R. Meddeb, 2012



the European productive system is increasingly expanding towards SEMCs, Mediterranean companies are increasingly willing to invest in the North and in the South.

This new paradigm is setting up by relying on the main assets of SEMCs, which is a young and skilled workforce, the presence of industrial partners well established on their respective markets, a strong infrastructure basis that keeps modernising, access to emerging markets and political regimes in transition that must focus on strengthening their economies. From then on, it



J. Ayed, F. Gouyette, Z. Ladhari, J. Belhaj, JL. Guigou, 2016

is no longer about keeping high-added-value activities in the North and relocating activities requiring a cheap and numerous workforce in the South. It is about combining the southern skilled workforce, cheaper than the northern one, with high added-value activities. It is not about replacing skilled jobs in the North by skilled jobs in the South either; it is about integrating partners or localised activities in the South as part of a common growth project on the European and African markets.

**AN OBSERVATORY TO ANALYSE AND SUPPORT THE DEVELOPMENT OF THIS NEW MODEL**

Aware of the knowledge gap, IPEMED decided to launch a Mediterranean Coproduction Observatory in order to analyse SEMC's industrial strategies as well as the investments conducted by Northern and Southern companies. The aim of this Observatory is to show, via scientific studies, that coproduction is the way forward.

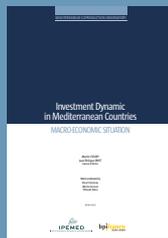
MAIN PUBLICATIONS



*Construire la Méditerranée*  
« Convergence en Méditerranée »  
September 2010



« Clusters au Maghreb : Vers un modèle de cluster maghrébin spécifique »  
September 2014



*Observatoire de la coproduction en Méditerranée*  
“Investment dynamic in Mediterranean countries : macro-economic situation”  
June 2015

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