

## How “sustainable” are Jordan’s Free Trade Agreements?

A cornerstone of **Jordan’s Economic Modernization Vision (EMV)** is sustainability, underpinning the EMV’s two pillars of economic growth and quality of life. Moreover, sustainable resources are set as one of its growth drivers and by supporting sustainable practices, the objective of a “Green Jordan” shall be achieved.

Jordan’s **Free Trade Agreements (FTAs)** give access to more than 1 billion consumers. And FTAs - usually driven by some advanced economies when becoming parties of such agreements - are increasingly containing provisions which are closely linked to sustainable development, such as social, labour and environment-related contents.

So, how much is Jordan subject to “sustainable” provisions in its FTAs? Which of these FTAs may most likely align with the EMV’s sustainability direction?

The **Greater Arab** Free Trade Agreement (GAFTA), the **Agadir** Agreement (with Egypt, Morocco, Tunisia, later also Lebanon and Palestine), the Agreements with **Singapore** and with the European Free Trade Association (**EFTA**: Iceland, Liechtenstein, Norway, Switzerland) do not contain significant sustainability provisions or references.

The **EU**-Jordan Association Agreement contains an article about cooperation on environment protection and some related reference in articles about agriculture and energy. This is less than what the EU in its “new generation” FTAs uses to include as “Trade and Sustainable Development” (TSD) chapters, emphasising labour rights and environmental protection. The reason is supposedly that the agreement was concluded before this EU-practice started. Not different the Jordan-**UK** Association Agreement, which as one of the UK’s numerous continuity agreements that were concluded after Brexit is building upon the agreement with the EU, and which is not adding anything on sustainability.

So, some focus for bolstering the EMV's cornerstone of sustainability in terms of trade policy should be put on the FTAs with Canada and the US, since both contain several relevant provisions:

The Jordan-**Canada** FTA has specific chapters on labour and environment and related to both it has additionally an "Agreement on labour cooperation" and an "Agreement on the environment"; this comes on top of further references to respective bodies and regulations. As specific environmental issues, water management and renewable energy are emphasized. For other social matters there are even corporate social responsibility (CSR) and gender issues mentioned.

The **US**-Jordan FTA also contains explicit labour and environmental articles.

Both these FTAs reflect the general observation in international trade, that whilst for labour references the framework of the International Labour Organisation (ILO) is very strong, for the environment the reference points are more diverse. The latter is even more true when it comes to other "social" issues.

Oliver Regner

JORDAN EXPORTS

Export Marketing Director