



The European Union and the Upheavals in North Africa

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As an aftermath of the surprising success of the Jasmine Revolution in Tunisia, a wave of upheavals and revolutions has swept across the Arab world. In Egypt, the rebelling masses overthrew long-ruling President Mubarak. But in almost all countries of the MENA region, from Morocco to Libya and Iran, people are pouring into the street to protest against their leaders.

The masses want to get rid of their corrupt regimes and the police states under which they live and hope to gain more freedom. Does this represent a democratisation process? Perhaps, though it depends very much on what we mean by democracy in the Arab world. But is it only the lack of freedom that leads people to protest? Or do the roots of the problems go deeper?

Due to demographic trends, the population in the five North African countries has quadrupled in the last fifty years to over 160 million. A further substantial increase is to be expected in the coming decades. The economies – whether in the oil-and-gas-rich countries like Algeria and Libya, or the more diversified Egypt, Tunisia and Morocco - were not able to fulfil the growing demand for jobs. Although the three non-oil-exporting countries were forced to commence economic reforms in the nineties, the results have not been convincing. The 'one-size-fits-all' recipe of economic liberalization: privatising state companies and

opening up the domestic market to foreign products, has caused severe problems, with a lot of domestic firms going bankrupt. Despite reforms, the region has not been able to attract more foreign capital. European investors have favoured Eastern Europe and the Far East. The unemployment rate, especially among young people, has risen over 25% in all countries. Growing social differences and inequality, enormous corruption and increases in the prices of heavily subsidized food products have angered people even more.

So the motives behind the unrest are both political and economic. And it remains an open question whether and how the new leaders of these countries will eventually be able to surmount the economic difficulties. Can the European Union offer a helping hand to these countries?

The European Union (and especially some of the EU member countries) has always had a special interest in the southern Mediterranean littoral. One of the principal European concerns in recent decades has been security: the EU needs a prosperous North Africa on its southern periphery because increasing discontent may lead to radicalisation (and the growing popularity of Islamic movements) and to an increase in migration towards Europe. And the energy issue has become more important as well: Algeria and Libya are major oil and gas suppliers to the EU.

The Union also has a substantial self-interest in ensuring that southern littoral countries adhere to various environmental measures and cooperate in anti-terrorist policies.

It was mostly these concerns, along with favourable international circumstances in the mid-nineties, which led the EU to launch the Barcelona process of Euro-Mediterranean Partnership in 1995. The EU signed free trade agreements with all of these countries (except Libya). But the principal motivation for these agreements was not a mercantilist wish on the part of the EU to expand its exports in the region (although this did actually happen), but rather a desire to ensure its security interests by integrating the region into the world (or rather the European) economy. The financial support given to the region as compensation for losses due to the liberalisation of trade, however, did not match costs.

Another objective was to foster democratisation in the region. The example of Algeria from the early nineties, and later the win of radical Islamic party Hamas in free elections in the Gaza Strip, proved however, that a really democratic election in these countries can lead to an Islamic majority. This was not what the EU intended. So Europe accepted the authoritarian regimes because they maintained peace in the region and controlled migration towards Europe as well. The European countries even cooperated with the now overthrown leaders such as Tunisian President Ben Ali, Egyptian President Hosni Mubarak, and even Libyan leader Moammar Gaddafi. As a reward, European companies were granted lucrative contracts in the oil business and for the construction of infrastructure, etc.

The EU welcomes the political changes in North Africa, but fears of a decline in security overshadow the joy. The increasing flow of migrants from Tunisia towards Italy has already begun and the same will

happen with Libya. Business interests may also be endangered and it remains unclear what the new leadership in these countries will look like.

Hoping to confront these problems, Spanish and French politicians have already called for a shift of EU funds from the 'East' (the post-Soviet states in the neighbourhood of the EU) to the 'South'. Italian foreign minister Franco Frattini would even like to see a European 'Marshall Plan' for the region. Both the Hungarian EU presidency and Poland's (Poland takes over the presidency in July), are more focused on extending Eastern cooperation and were preparing for the second Eastern Partnership conference to be held this year. The unexpected and rapid political changes in North Africa are affecting the priorities of these countries and of the Union. Thus a new consensus and new solutions must be found to cope with the challenges coming from the South.

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