

**THE POLITICS OF EUROPEAN UNION'S DEVELOPMENT  
ASSISTANCE IN NORTH AFRICA SINCE 2008**

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**MASTER OF PHILOSOPHY**

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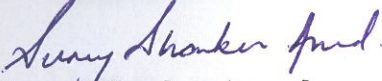
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DECLARATION


I declare that the dissertation entitled “ The Politics of European Union’s Development Assistance in North Africa since 2008 ” submitted by me for the award of the degree of Master of Philosophy of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.


  
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We recommend that this dissertation be placed before the examiners for evaluation.

  
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Dedicated to,  
My Mother,  
Because of You, I am a fighter.

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## CHAPTER 1

### Introduction

The idea of International development cooperation has always been believed to be based on the premise that the intervention supported from ‘outside’ are needed in order to promote the development in the poor countries. This belief is not something new and from the last few decades the developing countries are trying to make argument for the development assistance in order to fight the poverty and its ill effects. The North-South debate which soon started after the end of second world war was in a way an assertion by the newly independent countries<sup>1</sup> to ask for the resources which the developed countries had all amassed and laid their claims to. As a result of the unity and the combined effort of the developing countries the United Nations Conference on Trade and Development (UNCTAD) was established in 1960's. The UNCTAD recognised and laid emphasis on the role of Developed Nation (Global North) in the subsequent development of the Developing Nations (Global South).

The wealthy nations have always been under close observation and scrutiny for their role and responsibility in the development of the poorest of the nations by the international community and by the scholars of the international relations<sup>2</sup>. The realist scholars have given a weight to this in international relations by arguing that their exist an anarchic system where national interest is the fundamental guide which gives objectivity to the state’s behaviour. Marxist theorists also talk about the ‘core-periphery’<sup>3</sup> as the basis of conduct in which the international system for the developed world functions. We finally understand that the idea of development cooperation or as it is by the popular

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<sup>1</sup> The newly independent countries had a major effect after the Second World War on the international relations, as it was a trigger for rapid decolonization. Thus a host of more newly independent countries joined them.

<sup>2</sup> Marxist Scholars have different arguments that are based on their study of International relations.

<sup>3</sup> World-system theory is a macro sociological perspective that seeks to explain the dynamics of the “capitalist world economy” as a “total social system”. Immanuel Wallerstein’s name is associated with this approach. Dependency theory focuses on understanding the “periphery” by looking at core-periphery relations, and it has flourished in peripheral regions like Latin America. It is from a dependency theory perspective that many contemporary critiques to global capitalism come from.



nomenclature ‘foreign aid’ is inherent political aspects and it would be unwise to overlook them, these aspects has always been a subject of study in the international relations. ( Degnboi-Martinussen and Engberg-Pedersen 2004) This has thrown the issue of foreign aid to the developing countries open for serious discussion. The United Nations General Assembly while supporting the idea and the noble practice of foreign aid has show some scepticism on the fact that the aid might be a tool for the protraction of sovereignty of the developing countries<sup>4</sup>. This also highlighted the inherent relationship between the donor country and the developing country when it comes to foreign aid. This characteristic makes the foreign aid a dynamic topic, which changes its nature according to the context and according to the actors participating. The important questions which are put forward to us by this is ‘what are the factors which traces the trajectory of foreign aid and how it is driven as a concept and a practice?

This question is important in the field of international relations, as the dynamics of international relations has completely changed since the mid 20<sup>th</sup> century. As Andrew Linklater puts “The question arises of whether international politics have had the same qualities across the millennia and will retain them in the future”(Linklater 2000). Modern times have given us the idea of globalization and national fragmentation that deems us to study the changes in the world and how the world political organisations are developing<sup>5</sup>. Globalisation has become one of the most important words in the international relations study in modern times. When all the aspects of the study of IR is being affected by globalisation it is imperative to study the divide between the North- South debate through this lens and in turn form an idea about the theoretical understanding of Foreign aid. Globalisation ensues to the speeding up and intensification of the interdependence of the countries economically, politically and socially. It is a relatively new concept in the international relations going back a few decades. We will try and look at the different concepts of globalisation and also its nature.

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<sup>4</sup> United Nation General Assembly, *Resolution 2626(XXV) 24<sup>th</sup> october 1970, International strategy for the second united nations development decade.*

## **Globalisation: Theories and Perspectives**

The idea of globalisation can be divided into three broad theoretical perspectives under the head of globalists, traditionalists and trans-formalists; globalists view the process of globalisation as necessary and contemporary social phenomena. Contrary to this is the traditionalist perspective that mainly was propounded by Marxist tradition. It is mainly based on the Marx's famous comment in communist manifesto<sup>6</sup> in 1848. Some traditionalist refute the idea of globalisation and instead term it as an economic 'regionalisation and interconnectedness between geographically contiguous states'. (El-Ojeili and Hyden 2006) Trans-formalists however go for the middle path they do not accept that there has been a transformation in sorts of the economic regionalization neither do they accept that nothing has changed.

In the terms of academic discourse we have seen that the globalisation has its own advantages and disadvantages. When we try and study globalisation under the critical paradigm we see that the developed world has benefitted at the cost of underdeveloped and developing countries for example, developed countries tend to have relatively free trade, and they produce great quantities of trade goods that become affordable to the developing country. The developing and under developed countries has been witness to the disaster even in the time of economic globalisation. The sub-Saharan economies are an example of this; they have also refused to accept any help offered by the World Bank and IMF. The example of Latin American economies, which were busted by the same phenomena and has been recording lower growth levels as compared to historical levels. Hans Kochler points out the relational development in the context of globalization.

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<sup>6</sup> The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society... Constant revolutionising of production, uninterrupted disturbance of all the social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from earlier ones.... The need of a constantly expanding market for its produce chases the bourgeoisie over the whole surface of the globe... All old-established national industries have been destroyed or are being destroyed... in the place of the old wants.... In the place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations ... The bourgeoisie ... compels all nations, on a pain of extinction, to adopt the bourgeois mode of production.... to become the bourgeois themselves. In one word, it creates a world after its own image.

According to him,

The toll of such a reshaping of the international order [making globalization more effective in lieu of the state] in the interest of the most powerful economic pressure groups will be heavy...The process may well lead to the political destabilization of entire regions and to hitherto unseen forms of resistance...increasing global anarchy and the disappearance of the state may be the price of an economic world without geographical, political, legal, or moral borders. All declarations on social and economic rights may become obsolete in an environment where politics are defined in strictly economic terms and where the human being is not seen as an autonomous subject i.e., as a citizen of the world, but as a competitor for economic advantage and for the exploitation of resources on a global scale (Kochler 2000)

Hans also points out that the major economic actors are not helping in spreading economic prosperity but are 'globalizing poverty' in a way that the intensity is manifold. Under the concept of globalisation the entire nations are placed under the disposal of international market. Citing the example of 'Asian tigers'<sup>7</sup> he argues that we have seen in this example how the fate of millions were determined by the decision of these countries who do not accept their accountability and moral responsibility.

Kochler also argues that the relationship between the developed and developing countries hasn't changed much in the contemporary times, the developing countries still are the primary markets for the developed economies (Kochler 2000). As in the case of North Africa we see that the France still has immense power in the area as a former colonizer itself. It still maintains close political and economic relations with its subdued countries. When we take the example of European Union countries we see that the former colonisers still have a very active economic and political relation with its colonies and it acts as a major supplier of the raw materials (rubber, copper etc.) to the EU countries. These countries are also the biggest market for the finished goods of the EU nations. It simply means that in the modern times it is important for these developed countries to

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<sup>7</sup> The Asian financial crisis, also called the "Asian Contagion," was a sequence of currency devaluations and other events that began in the summer of 1997 and spread through many Asian markets. The currency markets first failed in Thailand as the result of the government's decision to no longer peg the local currency to the U.S. dollar (USD). Currency declines spread rapidly throughout Southeast Asia, in turn causing stock market declines, reduced import revenues and government upheaval.

maintain strong relations with these countries so that their own market is not flooded. Using this backdrop this chapter will focus on as to how the overall politics in the field of international politics and foreign aid is used for the promotion of the interest of the nation. We will also concentrate on the development policy of EU to study the foreign aid and would also look into the political and economic aspect of EU development policy in the North African region.

### **Nature of International Development Assistance**

Defining the concept of Development Assistance is a difficult task as different stakeholders shine different light to define the concept. The actors involved in the concept, which look at it at different levels, make the task of the definition of Foreign aid quite complex. Hence to fully understand we must look at it from different perspectives and record all arguments and counter arguments for the definition. If we look at the historical aspect of foreign aid it can be traced back to the early century (Blockley 1985), there are many definitions and approaches towards the foreign aid to understand and classify it. According to Organisation for Economic Co-operation and Development (OECD) Official Development Assistance is defined as:

The OECD Development Assistance Committee (DAC) defines development aid as government aid that promotes and specifically targets the economic development and welfare of developing countries defines official development assistance (ODA). The DAC adopted ODA as the “gold standard” of foreign aid in 1969 and it remains the main source of financing for development aid.(OECD 2014).

Britannica concise encyclopaedia defines foreign aid as the transfer of capital goods and services from one country to another.<sup>8</sup> Gudeman has written extensively on “the idea of development and has been a harsh critic of the development model of just financial sphere as the development arena” (Gudeman 2008). He looks at the human and also tries to understand the foreign aid in that arena. He says that development assistance should not be focused on the system of property rights, loaning money or supporting projects, he

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<sup>8</sup> ‘Foreign Aid’. n.d. Encyclopedia Britannica. Accessed 19 July 2018.  
<https://www.britannica.com/topic/foreign-aid>.

reiterates that it must mean to mold the idea of development in the form of local dialogue of mutuality and trade. He gives the example of Cuba and how it has made inroads in education health and a sense of national identity and is building a defined market area around it. He also adds that to achieve an all round development we need to invest in human, social and cultural capital as well as financial sectors.(Gudeman 2008)

When we will think of development in this way the meaning of the ‘foreign aid’ would needed to be changed. Going by the domain of mutuality and sharing, aid shouldn’t be considered as a contractual loan but moreover a long term reciprocity that connects economies or nations with one another. When we see at the example of Marshall plan<sup>9</sup>, initiated by the United States after World War II, it was important part in the rebuilding of the Western Europe over the subsequent years but it also had the American self in on the periphery<sup>10</sup>. However the ‘reciprocity’ was shown by the UK as early as 1954 when it set up the Marshall Fellowship Scheme for graduating college students, this was also followed by the German government. The act of reciprocity was vital in the mutual understanding of both the nations, which later formed a community. This gives rise to question as to whether the foreign aid should always come with the term or reciprocity?

Hans Morgenthau reiterates that,

The first prerequisite for the development of a viable foreign aid policy is the recognition of the diversity of policies that go by that name. Six such policies can be distinguished which have only one thing in common: the transfer of money, goods and services from one nation to another. On the basis of these policies foreign aid is classified into six heads. They are humanitarian foreign aid, subsistence foreign aid, military foreign aid, bribery, prestige foreign aid, and foreign aid for economic development.(Morgenthau 1962)

Morgenthau is also of the opinion that of all the foreign aid only the humanitarian foreign in non political – this mainly consists of the aid which was given by the government when there is some natural disaster such as flood, Famines and Draught or Epidemics. While it is non political in the most basic form it does have some aspects that aids in the political function when operated in the political context.

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<sup>9</sup> The Marshall Plan, also known as the European Recovery Program, channeled over \$13 billion to finance the economic recovery of Europe between 1948 and 1951. The Marshall Plan successfully sparked economic recovery, meeting its objective of ‘restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole.’

<sup>10</sup> Combating the influence of Communism was one of the main aspects.

Morgenthau sees it more as something that the aid should not be used to improve the socio-economic conditions. Morgenthau says the real benefit must be of the donor, this can be further understood by the fact that Morgenthau is the 'founding father' of the discipline, which sees international politics as "governed by objective laws that have their roots in human nature." He also claims "whatever man does emanates from himself and refers again to himself," Morgenthau further argues that "moral conflict between the self and others is inevitable" because of the demands of scarcity. Also adding that national interest is objectively given by states international circumstances. (Lumsdaine 1993). According to Baldwin, Montgomery has further classified Foreign aid in three categories -firstly, Grants and Project loans for Economic development ;secondly, Direct dollar aid to supply foreign exchange for non-project commercial export and thirdly, Technical Assistance (Baldwin 1996).

### **Foreign Aid as a tool for Foreign Policy**

Foreign aid has been also seen as a tool of foreign policy by many scholars. Benjamin. F. Nelson argues, "aid is used as a tool of foreign policy. According to Nelson "aid appears to have established as a priority the importance of influencing domestic policy in the recipient countries"(Nelson 1997) we can see the best of example of this all through cold war where both the superpowers used foreign aid to expand their area of influence. As discussed Marshall Plan was used by USA which was later attributed by many scholars as being the main reason for the cordial relations between USA and the Western Europe. This very success of the Marshall Plan eventually placed the idea of foreign aid as key feature in the international affairs budget of the USA(Tarnoff and Novels 2004). It is important to mention that even Soviet leaders used Foreign aid in the same sense. It gave help to Cuba during the cold war. The main reason Cuba could survive the socialist revolution of 1959 is because of the monetary and military help by the Soviet Union.<sup>11</sup>

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<sup>11</sup> The Soviet Union's economic aid to 'special friends' like Cuba and Vietnam totalled \$6 billion last year and is an increasingly heavy burden on its faltering economy, according to a Western intelligence survey.

We can see that the foreign aid mostly serves the national interest as maximum number of times these aids comes with some preconditions. During the cold war the developing countries got most of the foreign aid due to the rivalry between the USA and Soviet Union. Military and development aid was the main type of aid provided by these countries under their influence. It is said that more than half of the aid given by USA was part of military aid. It supported military in many poorer states and encouraged military to play a major role in these countries. For example, the biggest recipients of the military aid from USA are Israel and Egypt because of the strategic interest that USA has invested in them.<sup>12</sup> The aid that comes in the form of Military aid does more harm than good to the aid countries, the nature of the aid restricts it for the general good of the society, and basic issues were side-lined. The donor countries do not even ask for accountability in such aids because it serves a political purpose rather than developmental.

Soviet union also gave military aid to a lot of poorer country to combat the growing influence of USA. The example of India is one of the most important. Although India followed the path of Non- Alignment as its foreign policy it was very close to Soviet Union diplomatically. This closeness brought India much needed military hardware and aid. According to the figures, India's trade with the Soviet Union increased eight fold in 1970's from an insignificant amount of 1950's. It is no surprise that Indian subcontinent was the principal recipient of the Soviet aid outside the communist world (Sinha 1974).

### **Aid Effectiveness**

Foreign aid is also affected by the domestic political conditions. We see this in the case of foreign aids, which were given for one purpose but were utilized for some other purpose. In the countries where the regime is politically unstable they 'can' use the aid provided to them to strengthen their own power in the country. This can be understood by taking the example of Chad; it received \$4.2 billion by the World Bank for the pipelines.

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The report said Soviet economic aid for Cuba alone ran about \$4 billion in economic aid, plus another \$600 million in military aid

<sup>12</sup> Israel and Egypt are strategically most important countries for the USA in the Middle East.

(Smith 2006)The project had also given some revenue mid implementation; since Chad had experienced armed rebellion it used the amount to buy more arms and the loyalty of the military and the amount which was considerable couldn't be used to develop the society or economy. That is why we see that internal political and economical condition plays a major role in the benefit that can be extracted from the Foreign aid (Lele and Nabi 1999). Politics not only does matter in the donor country but also the country which receives thus we can say that aid not always helps the donor but sometimes also plays a negative role.

Since we have already classified and defined the political aspect of the foreign aid it is well established now that it is an important part of the International relations and politics. This has further raised the questions as to what are the motives that has been driving international development assistance and the second part is what is the main purpose behind the promotion and distribution of development assistance, and how international events have been influencing the DA from event to event.

### **Cold War- Ideological Struggle**

Cold war is one of the most important eras in the international relations; this was the time when the maximum aid was provided for the building of military alliance or blocs, aid for purchasing arms and credit. (Brzoska 2004) Developing countries by being part of either bloc was mainly to extract maximum gains from either of the superpower<sup>13</sup> in form of aid. The aid during the cold war was one of the main instruments of enhancing the national interest of the donor country. Many of the countries opted for Non-Alignment as a method to reap the maximum benefits from both the superpowers.

Hoebink and Stoeke observed that the aid provided by the superpowers could be well defined on the idea of international realism, which theoretically defined everything after World War II, aid was basically a means of pursuing national interest. (Hoebink and

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<sup>13</sup> There were two blocs in the international politics in the days of cold war. One is the socialist bloc led by the USSR and other was the western/capitalist bloc led by the USA



Stokee 2005) The influence of realism is evident in the purposes for which the aid was given during the cold war. They further added that there are three ways in which aid in cold war era could be characterized – firstly, To provide foreign aid for the promotion of strategic alliance or for the promotion of a pre-existing alliance. Secondly, the objective of the donor countries to constantly maintain a good relation with the recipients or ex colonies. Thirdly, The role of United Nation in supporting the concept of ‘aid for development’.

Humanitarian aid was also part of these aids but the comparative quantity was way lesser than the military aid. Scandinavian countries and Netherlands were known to provide humanitarian aid during this time due to their own domestic political realities, however the aid provided was so small compared to the aid being governed by international realism. Humanitarian aid to the many of the developing countries for the realization of world peace and security is termed by many of the scholars as clichés, Hans Morgenthau (1962), Milton Friedman (1958), and David McCord Wrigt (1959), do not accept that the foreign aid is likely to promote development. Rather it is a tool with which the countries like USA increase its economic prowess<sup>14</sup>. In the U.S public official terms its foreign aid to financing of US exports.

In this, aid became a tool of foreign policy for colonisers to maintain economic, political, and cultural ties with poor ex-colonies. In the period of 1960's and 1970's newly independent poor countries were the major recipients of foreign aid from the western nations. The European Economic Community (EEC) made active arrangements in Custom Union for the colonies of France in order to serve the economic interest of France. This was later introduced for other colonies of the EEC members and presently it

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<sup>14</sup> On the issue of providing help to Russia by the USA in early 1990s, the leading commenter on US foreign policy, Thomas Friedman's comments is worth noting. According to him "on the purely economic side. the Soviet Union with its 290 million people and vast natural resources represents an enormously attractive potential market if its resources could be fully tapped through a free-market system. But there would be little direct benefit to the American economy, except for certain sectors like consumer product and food producers, oil and gas equipment manufacturers and machine tool makers. The most immediate beneficiaries would be the Europeans in general and the East Europeans in particular, given their historical trade links with the Soviet Union". Thomas Friedman, "Security Seen as a Dividend of Soviet Aid", *New York Times*, June 16, 1991.

is termed as 'Development Co- operation Policy of the EU', making EU one of the largest donor of the World.

The role of UNCTAD which is a permanent body established in 1964 and deals with the trade, investment and development issue, the goal of the organization is to maximize trade and development opportunities in the underdeveloped and developing countries.

### **Post cold war: Economy and International aid**

Post cold war is marked by the fall of Berlin wall on the 9<sup>th</sup> November 1989 with this came a seismic change in the international relations. The end of cold war influenced human history basically changed its course<sup>15</sup>. The older political and economic concepts saw an overhaul and the idea of globalisation underwent a change and started to be one of the most prominent words in International relations.

The end of cold war also brought about the change in the nature of cold war and the aid policy of the donor countries. This change can be divided into three ways- first, Emergence of new economic agenda due to the fall of socialist system influenced the foreign aid a lot. Second, Shift in the security agenda as the period saw the change from inter-state to intra-state conflicts.<sup>16</sup>Third, There was a subsequent decline in the foreign aid, as soviet system didn't pose any threat to the American system anymore.

### **Survey of Literature**

Historically, we have seen that the idea of foreign aid has gone through various stages. The study of foreign aid in the same way has undergone different levels of changes and its effectiveness also. We have divided the survey into two parts; *first*, talks about the literature, which deals with, aid effectiveness and its various factors. *Second*, talks about 'the micro macro paradox', The underlying theories have also been helpful in

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<sup>15</sup> Reagan's "Star Wars" Speech March 23, 1983 Episode 22 Star Wars, [Online: web] Accessed 15 May 2018, URL: <http://www.cnn.com/SPECIALS/cold.war!episodes>

<sup>16</sup> This change meant that the aid was more focused on the societal fabric overhaul than military or government

understanding the impact on aid, however, it is very difficult to summarize the impact of aid even with the most advanced of the methods as the process of growth is complicated and dependent on many different facets. In this section we will try and understand the literature present on the aid. Hansen and Tarp has identified with the study of aid in three stages. First was referred to the first stage in the 1960 and early 1970s where it was believed that there was a strong relation and causality between saving, investment and growth. The Second stage focused on the study of the direct relations between the growth of the recipient and the donor aid. And the third stage includes the study of economic policy and institutions in the study of growth and its relations to aid (Hansen and Tarp 2000).

*First generation aid study*, 1960 saw the explanation of poor economic result as the direct result of lack of saving, a factor that lead to the stagnant economy of the developed nations which also meant that they were not a popular destination for foreign private capital (Hjertholm and White 2000) The underlying understanding was based on the idea of Harrod and Domar models which directly related saving with investment and subsequent growth (Cypher and Dietz 1997). The countries, which lacked the necessary capital to keep the required investment rate, looked towards aid to fill this gap between savings and investment. It worked on the assumption that the aid, which flowed to these countries, increased its capital on a one to one basis, which wasn't the case.<sup>17</sup> As none of it was being directed towards consumption. Apart from the "saving gap model a second growth constraint was also introduced known as the trade gap, it focused on the import and export of the said country". (Bruton 1968)

While aid was supposed to be a favourable injection in the economy for the poorer countries it was soon being argued that the aid also has an adverse relation of the country. Friedman and Bauer were the first among the theorists to argue that aid also plays a negative role, they further supported the Haavelmo theory "that the foreign capital inflows might disturb the domestic savings"(Morisset 1989). Griffin says that the aid

might hurt the local economy in the way that the availability of credit might make the local policy to change over expenditure, as there is aid available. *Secondly*, the presence of aid might hurt the urge to save and *thirdly*, the aid flows might increase the consumption at a local level. (Griffin 1971)

After the conception of Savings-investment gap and trade gap there is a third theory given by theorists which connects growth and aid known as Fiscal gap; this is defined as the difference between public income and expenditures, as we know that governments of poorest countries are inefficient in controlling the public expenditure and hence the aid inflows are supposed to fill these gaps (Taylor 1994). However it has been agreed that the two generations of studies mentioned above lack the analytical know-how and hence a third generation of aid studies was also introduced.

*Third generation in aid studies*, innovate in the four areas useful for the study of the effect of foreign aid namely in:

- The data set used in the analysis.
- In the analytical toolkit used by including economic policy and internal institutions for the understanding of growth.
- In the way the endogeneity of the aid is understood.
- And the understanding of growth-aid relations. (Hansen and Tarp 2000)

The study of third generation of study in the understanding of foreign aid started with the study of Boone who first tried to understand the effect of growth in respect to politics, he propounded that aid grows the consumption in the recipient country but this growth in consumption is not by the poor (Boone 1994). He says that it increased the size of the government and consumption. Burnside and Dollar say “aid can work wonders if it is implemented through policy, which is centred in a good environment of fiscal monetary, and trade policies”(Burnside and Dollar 1997). They however further add that in this case also the aid is in the form of diminishing return. Thus it was concluded that to gain maximum returns in the aid should be directed towards poor countries, which have sound

policies. As an example we can take Marshall Plan as an aid, “which was implemented with sound policies, and the maximum gain was produced, the institutional and judicial structures in the European countries played a vital role in the proper implementation of the Marshall Plan” (Degnbol-Martinussen and Engberg-Pedersen 2003). The success of Marshall Plan highlighted the link between growth and the political environment. As a result of the study of the Burnside and Dollar the assessment of aid effectiveness were started to be conducted based on this (Burnside and Dollar 1997). This finding was also supported by many scholars, Collier and Dollar argue that aid should be distributed to the poorer countries who have sound internal policies as to maximize the effect of aid.( Collier and Dollar 2002)

However there are other scholars who have criticised the Burnside and Dollar study, mostly the methodology that was used for this study. Easterly is of the view that even if the variables of study and its definition is changed that is aid and good policy the difference between a traditional and the studied impact of the aid is so miniscule that it cant be taken as a proof of the study working (Easterly 2003). The works of Hansen and Tarp, Ahmad- Esfahani and Burhop among others has also supported this. (Burhop 2005) While it cant be said that the aid is related to policy environment researchers have further tried to understand the behaviour of government in these recipient countries, since most of the aid that is received is being implemented by the public sector, it has become vital to understand how the local governments react to the receipt of aid.<sup>18</sup> In many cases the receipt of aid is followed by an increased government spending which is known by the term Flypaper Effect, meaning that these grants induce the public expenditure, while the revenue which was coming from taxes are generally seen to invoke less public expenditure.

Remmer finds that the there can be seen increase in the size of government and government spending as the aid increases to the recipient countries, this is in contrary to the most market oriented plans that the countries donate want to see in the recipient

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<sup>18</sup> McGillivray, M. (1994) "The Impact of Foreign Aid on the Fiscal Behavior of Asian LDC Governments: A Comment on Khan and Hoshino (1992)", World Development, vol.22, 12, pp.2015-2017

countries.( Remmer 2004) He also adds that aid might be the harbinger of corruption as the aid is often seen as the precursor to lackluster government activity. On the other hand Schwalbenberg argues that foreign aid doesn't induce corruption.( Schwalbenberg 1998) Another topic in which the survey of literature can be subdivided is the 'Micro-Macro Paradox' Mosley has found that although we cannot get a direct link between aid and growth of GNP, in project evaluations however there is a positive rate of return<sup>19</sup>. Mosley has discussed that this paradox can be explained by three reasons first of which is the issue of inaccurate measurements. Second,the local government's fungibility(interchanging) of aid and the third,backwash effects of aid

White analyses the same through the idea of problematizing the scale analysis or over aggregation, adding that the research should be location specific (White 1992). He also adds that when we study the micro macro paradox we should always keep in mind that macro studies the financial data whereas the micro studies the socio economic data hence the paradox.

### **European Union's Official Development Assistance and North Africa**

As we have already formed a strong theoretical basis of what development assistance/foreign aid means and what it entails now we can further our study. Basing my study on these theories we will try and understand the nature of European Unions official development assistance and its effects on the North Africa especially the Maghreb countries.During the Mid 1990's the EU came up with the plan of democracy promotion, stronger economic ties and towards a politically stable Mediterranean region including North African countries<sup>20</sup>. In 1995 the union came up with the European-Mediterranean

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<sup>19</sup> In 1986, Mosely first drew attention to an apparent paradox in the performance of international aid. Microeconomic data from evaluations of aid financed projects showed a majority of projects were successful, whereas macroeconomic data from regressions of aid on growth were discouraging. The paradox, if real, implied that the aggregate impact of aid was less the sum of its parts. Mosely asked whether the paradox was real or whether the "data deceived."

<sup>20</sup> The countries with coastlines on the Mediterranean Sea are Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Morocco, Monaco, Montenegro, Slovenia, Spain, Syria, Tunisia and Turkey.

Partnership (EMP). The EMP was finally launched in the month of November in 1995 during the Barcelona summit meeting of the member countries Foreign Ministers, hence the partnership was started to be called as the ‘Barcelona process’<sup>21</sup>. It was started with the objective to establish an area of peace stability and shared consciousness and mutual understanding through co-operation and deepening of the trade with Euro-Mediterranean Free Trade Area (EMFTA) by 2010<sup>22</sup>.

The European Neighbourhood Policy further followed the EMP in 2004; it served to update the fabric of cooperation between European Union and North Africa<sup>23</sup>. The ENP which was meant to compliment the Cotonou convention, it had its agenda set in the form that It encouraged the EU member states to have bilateral as well as EU level enhanced co-operation with the North African states. For example, the EU has actively made efforts to have joint initiatives with Algeria, which has further encouraged member states to have their own bilateral relations with Algeria. Similarly with the onset of ENP Morocco became the highest fund receiving country of the North African region and enjoys a host of political and economical benefits. The European Neighbourhood Instrument provides the system through which all the aid is granted to Morocco. It is also a part of Erasmus+, an EU initiative, which supports education and sports program for youth in participating states.

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<sup>21</sup> In November 1995, following a European Council decision, a Euro-Mediterranean Conference of Foreign Affairs Ministers was held in the Spanish city of Barcelona. It marked the launch of the Euro-Mediterranean Partnership (EUROMED), also known as the Barcelona Process for short, after the name of the city in which the decision was taken. It was the EU's first comprehensive policy for the region.

<sup>22</sup> The key objective of the Euro-Mediterranean trade partnership is the creation of a free trade area, which aims at liberalising trade between both the EU and Southern Mediterranean countries (North-South), and among Southern Mediterranean countries themselves (South-South). Indeed, a Euro-Mediterranean Free Trade Area has been established, although it is not yet complete in terms of both geographical coverage and scope. In 1995 the objective was to conclude a free trade area covering essentially trade in goods, whereas today, the objective has become to establish a deep and fully-fledged free trade area across the Mediterranean, including services and investment, public procurement and regulatory areas.

<sup>23</sup> The ENP has been launched in 2003 and developed throughout 2004, with the objective of avoiding the emergence of new dividing lines between the enlarged EU and its neighbours and instead strengthening the prosperity, stability and security of all. It is based on the values of democracy, rule of law and respect of human rights.

The next plan is the Union For Mediterranean<sup>24</sup> Plans which was aimed as a ‘new impulse to the Barcelona process was finalized in Paris Summit of 13 July 2008. The UfM is the overhauled initiative and is expected to rebuild on the Barcelona Process. Therefore the aims of ENP are also valid for UfM. The UfM is structured around the six main priority areas which was also included in the Paris summit,

- De-pollution of the Mediterranean
- Maritime and land highways
- Civil protection
- Alternative energy in the form of Mediterranean solar plan
- Higher education and research
- Mediterranean Business Development Initiative

## **Post Arab Spring North Africa**

In the aftermath of the revolution in Tunisia, the wake spread through many countries known as ‘Arab spring’. “The popular discontent, which has shaken the Arab world, which has demands for dignity for its citizens, democracy and social justice among the population.”(Schumacher 2013) The European Union has been slow to recognise the challenges of the political and economic transition, which the countries face. While the EU had the tools like ENP and UfM, the EU was very slow to realize this fact and not until the democratic transitions became a crisis then the EU took notice of it (Schumacher 2013). The first response was the revised European Neighbourhood Policy, which was a political and economic tool, which was aimed at containing the turbulence that these countries were facing.

For example, in 2003 European Union has started to extend its relationship with Libya

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<sup>24</sup> The Barcelona Process included a specific focus on human rights and civil society issues and was driven by the European Commission. The UfM focuses on economic cooperation and provides Arab states with a veto power over all initiatives; F. Bicchi, ‘The Union for the Mediterranean, or the changing context of Euro-Mediterranean relations’, *Mediterranean Politics* 2011-16, pp. 3-19.



beyond the trade and into the security sphere. Since Italy was the colonial master it naturally showed a great deal of interest in the Libyan policy resulting in the now very infamous friendship between Berlusconi and Gadhafi. Their close relationship spawned many agreements and mutual understanding finally culminating in the Benghazi agreement.<sup>25</sup>

Prior to the Arab uprising, Libya had become a major trade partner with the EU at one point exceeding 70 per cent of the total trade with EU despite not having any free trade agreement with it. Even when Libya was cut off from the EU diplomatically it was still having some amount of contact in the Energy area with Italian presence in Libya (Ronzitti 2009).

### **Research Objective**

- 1) To understand the term development assistance and its various characteristics
- 2) To understand how do the changing policies of EMP, UfM and ENP has become an important aspect in North African socio- economic and political development.
- 3) To understand the ways in which the EU's development policy acts as an extension of its political and diplomatic agenda.
- 4) To understand convergences and divergences in the EU's development aid policy in the pre and post Arab Spring era.

### **Conclusion**

The immediate “aftermath after Arab uprisings saw an international support and rush to give greater commitments to support democratic transformation and civil society”. It was mostly reflected in the planning of the EU external assistance. This shift was hard to apply because of several factors. When we closely analyse the reasons we find that it

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<sup>25</sup>In 2008, Italy and Libya signed the *Treaty on Friendship, which* promised \$30 billion to Libya and represented the first formal and explicit apology from any European state for colonialism. Although this aid was justified on colonial damages, Italy did not provide its other former colonies with similar measures. The primary reason Libya received preferential treatment in terms of financial aid and colonial apologies is due to its status as a transit country for migrants who were attempting to enter Europe through Italy

was basically because of the lack of synchronisation between the commitments made and the disbursements received. Other factors included the problems in absorption capacity and/ or the fluid nature of the governance in the transition countries with the rapid descent into violence for example Egypt. On the EU side, the” ‘more for more’ mantra and the consequent creation of specific funds to rewards good governance reform (such as the Support for Partnership, Reforms and Inclusive Growth in 2011-2013,” Umbrella funds thereafter), translated in an opaque application. Morocco and Tunisia “both benefited from such funds, despite quite different patterns of transformation, while they were de facto postponed for Egypt”. The rationale behind this research is to understand the situation after the Arab spring and compare it with the Pre-Arab spring situation. This will also give us an idea as to how the donor countries hold and release aid when they want something out of recipient countries. The research will give us a deeper understanding in the politics behind the Development Aid and its effects.

This dissertation introduces the key issues, which are to be discussed and, also lays down various concepts, which will be analysed later in the research. The first chapter defines the area, which the research deals with and discusses various theories and approaches, which deals with Development aid. The various development aid programs, which are there in the North African countries and how it has helped the country. This dissertation also tries to understand the reasons or the agenda of the EU for these development aids. It studies in depth the Euro-Mediterranean Partnership, Union for Mediterranean and European Neighbourhood policy. It also looks into the historical relationship of North African to the European Union, which also affects the local politics and how the aid is being used in the recipient countries. The third chapter studies the different conventions such as Lomé and Cotonou conventions and its salient features, which defines the European development policy.

The dissertation analyses the European Union Foreign policy with respect to North Africa and how the Development Assistance acts as a instrument of EU foreign policy. The chapter analyses how various existing cooperation framework between the EU and North Africa impact upon EU-North Africa relations. The chapters also tries to look into the

Eurozone crisis, and EU's energy access as factors that shape EU's Foreign policy towards North Africa post 2008.

This dissertation analyses the shift in the development policy Post Arab Spring, drawing on the comparative policy pre and post Arab spring the chapter looks to study how the shift in policy is directly related to the European aspirations in the region and how it is trying to influence it through the tool of DA.

In the end this dissertation presents the finding and evidences, which talks about how the Development aid is just an extension and a tool of diplomacy and coercion. How the nature of development aid has varied in the changing times and will present a cohesive report on how the EU exercises its muscles in North Africa through the Development Aid.

## CHAPTER 2

### Europe and North Africa: A Historical Overview

Regular human movement and material and commercial exchange have characterized the Mediterranean Sea since antiquity. The ease with which the sea can be navigated and the connected ports which it open the door for is varied in climate and microclimate owing to the mountainous topography has made this sea an important mercantile sea. The connection to the varied climates and the ports makes it one of the most important ports for trade.<sup>26</sup> The dynamism and the exchange constitute a historical structure that the sea is associated with, since the sea itself is divided into small seas like the Adriatic Sea, with their own characteristic.<sup>27</sup> The fact that the North Africa or the Maghreb<sup>28</sup> countries has had many an important ports on the shorelines of the Mediterranean has influenced the region through Mediterranean exchanges. We can see constant long-term historical structures that run deeper than changes and continues in spite of the changes in the life span and political entities, spans the empires and kingdoms religion and religious institutions. Mediterranean exchanges persist through the dynastic and regime changes as well as breaks the shackles of religious institutions.

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<sup>26</sup> A theory of Mediterranean connectivity and its role in history is presented in detail in Peregrine Horden and Nicholas Purcell, *The Corrupting Sea: A Study of Mediterranean History* (Oxford: Wiley-Blackwell, 2000). It builds on a tradition of studying the long-term historical structures of the Mediterranean pioneered in Fernand Braudel, *La Méditerranée et le monde méditerranéen à l'époque de Philippe II* (Paris: Armand Colin, 1949). For an initial discussion of the Maghrib and the Mediterranean in antiquity, see D. Shaw Brent, "A peculiar Island: Maghrib and Mediterranean," *Mediterranean Historical Review* 18, no. 2 (2003): 93–125.

<sup>27</sup> The pre-modern Mediterranean was not conceived of or imagined by its inhabitants in its totality or as a whole. For recent discussions of the Mediterranean as a complex network of cultural interaction, see Peregrine Horden and Sharon Kinoshita, *A Companion to Mediterranean History* (Oxford: Wiley-Blackwell, 2014); and A. Catlos Brian and Kinoshita Sharon, *Can We Talk Mediterranean* (New York: Springer, 2017). For a longer introduction and bibliography on Western Mediterranean studies, see Yuen-Gen Liang et al., "Unity and Disunity Across the Strait of Gibraltar," *Medieval Encounters* 19 (2013).

<sup>28</sup> The Arabic term Maghrib commonly denotes western North Africa, an area roughly coterminous with the modern states of Tunisia, Algeria, and Morocco, but which can also be thought to include Libya, Mauritania, and beyond. Egypt, the most populous Arabic-speaking province of Africa, is traditionally left out on account of its geographical separateness, its closeness to the Mashriq or Arab East, and its cultural difference, as it doesn't share the indigenous Berber or Amazighi culture that characterizes much of the Maghrib. Likewise, the Maghrib doesn't share Egypt's Pharaonic and Coptic cultures. Still, Egypt has always played a central role in the history of the Maghrib because of the many land and sea routes that connect them.

This observation is important for the chapter as due to the difference of religious values the northern and southern shores of Mediterranean has characterised the relation between them.<sup>29</sup> From a European point of view, the detrimental impacts of this division have since a long time ago represented a question of interest and concern, interpreted from a viewpoint shaped by a Latin Christian salvation story and later by the "edifying" stories of European imperialism.(Brent 2003) The idea of the division was comprehended as totalizing: an adversary religion vanquished the southern shores of what was previously a unified Christian ocean; a gap isolated the two social orders and their cultures<sup>30</sup>. The simple thought of the European Middle Ages is characterised by the religious and political separation of the north and south shore of the Mediterranean and the development of the Latin West's social focus from Rome, inland and northward (first to Aix-la-Chapelle, at that point to urban areas like Paris and Vienna). The birthplaces, nature, and impact of this detachment have assumed principal parts in stories about European character and history, in both theoretical and historiographical conventions in which "Moors" and "Saracens" highlight unmistakably as civilisational foes and extremes. The way that the Mediterranean once was united under a culture comprehended to be at the starting points of the West, offered a path to an isolated ocean, has suggested a consistent conversation starter that educates Europe's feeling of self as a political and social substance.

The nature if the North African relations to the Iberian peninsula from the ages of medieval time to the early modern period is complex to say the least, it owes its complexity to the vast time period and also the fact that the two places have commanded

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<sup>29</sup> The sequence Late Antique, Medieval, Early Modern, and Modern corresponds to a European and European-centered perspective of historical change and periodization. It is often distorting and inappropriate to use in non-European contexts where alternate terms are used (such as Pre- and Post-Axial or Middle Period). It is interesting to consider the question in a Mediterranean framework, since the transition to modernity was characterized by a certain kind and intensity of European presence and control of Mediterranean commerce. Still the ideological echoes the periodization conjures are too powerful and distorting for the Southern Mediterranean context. The far or western Maghrib experienced important continuity between these periods, and the periodization should be questioned. It is kept in this article for the sake of convenience, but its problematic aspects (that it reinforces a Euro-centric perspective) should be kept in mind.

<sup>30</sup> It is important to note that this basic idea dominates contemporary popular notions of Mediterranean North-South relations. Even if academically and historically inaccurate, its popular reality and appeal means it has real and significant impact.

their own competing narratives.<sup>31</sup> It poses the defining inquiry as to how to describe relations between territories that have alternately seen political solidarity and significant hostility and whether such scenes have influenced material relations in the way that we generally study or think. Added to this is the problem that the exchanges for the material and history of trade between North Africa and Spain for the medieval and early modern times are hard to measure and read.

## **North African Region During Medieval Times**

The North African region and its inhabitants were part of a constantly moving community within the other parts of the Mediterranean (the Mediterranean's south and the south-eastern part of the Spain was one of the nearest are and one of the most important in this regard) hence we see that the dynamics of this movement forms a major part in the fabric of North African societies and culture.

The medieval times in Maghreb saw the strengthening of the commercial activities with the southern and northern frontiers. While the trade and commercial contact with the Sahara has existed since the antiquity the Sub Saharan commerce flourished during this period.<sup>32</sup> The port cities of the Maghreb now started serving the Trans Saharan countries as well as the Europe and Middle East. At the same time (middle of the 11<sup>Th</sup> century) Europe began to experience what is called the first revolution in Europe; a major economic as well as demographic happened in the area which saw the coming up of new urban centres and centres of learning like Paris and Bologna. They also found expression in the Mediterranean in the form of increased commercial activity and increased military aggression. Form 1096 AD, this was felt across the continental Europe and

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<sup>31</sup> Another problematic term, Spain, is commonly used in English to refer to the Iberian Peninsula. Iberia, which has come into use in academic English, is not used in Spanish. Spain and Portugal are modern nation-states, which came into being in the 15th century and are not coterminous with the more numerous predecessors (the Christian kingdoms of Castile-Leon, Navarre, Aragon, and Galicia-Portugal, among others). Al-Andalus is the Arabic term for the Peninsula, Sefarad the Hebrew word, and both are most often used to refer to the religious or political community that existed there, although sometimes the geographical peninsula is meant.

<sup>32</sup> On trans-Saharan trade, see Ralph A. Austen, *Trans-Saharan Africa in World History* (Oxford: Oxford University Press, 2010).

Mediterranean in cities like Constantinople, Palestine, Alexandria, Sicily and into the Iberian Peninsula where there was a change in the regime from Muslim to Christian ruler between 1085 AD to 1248 AD. Military clash ran as an inseparable unit with commerce, and Maghreb exchange with:

Iberian, Southern French, and Italian ports and areas flourished unabated. West African gold and different products of trans-Saharan commerce were a part of this trade, and Aragonese and Catalan vendors traded effectively in Maghreb urban communities and built up diplomatic ties and exchange relations. Vital European financial and legal instruments of commerce had started appearing at this time. (Clancy Smith 2010)

From the conquest of Iberia to the latter half of the 11-century all the major urban centres<sup>33</sup> and most of the important agricultural hinterlands were ruled by Muslim rulers. This meant that most of the population, which was urbanized, and Iberian Peninsula and the Maghreb shared a language, government and other religious and political traditions. The years between 1085–1248 A.D. saw the peak of the development of the Christian kingdoms of Iberia as far as scale and significance of successes is considered. (Clancy Smith 2010) The Almoravids, the first of the Maghrebi empires, whose main monetary reason for development was mainly by trans-Saharan exchange, they experienced enormous development from the end of the eleventh century, countered this push. Almoravid commercial exchanges with West Africa gave the most effective and easily mineable gold supply of Europe and the Mediterranean in the late Middle Ages. The most celebrated symbols, battles, and figures of this process in the Spanish tradition, such as Saint Ferdinand the Conqueror, the rise of the cult of Santiago, and the Battle of Las Navas de Tolosa, all date to this period (Goldberg 2012). Under this layer of religious conflict existed a complex patchwork of intra- and inter-religious relations and extensive commercial contacts and exchanges that, on both day-to-day and the longer term, was ultimately more consequential in economic terms (Goldberg 2012).

While the kingdom of Granada was religiously a much more homogeneous society than its Andalusí predecessors, as a result of the territorial contraction and population

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<sup>33</sup> The one major urban center that fell outside was Barcelona; the Cantabrian or northern coast was also never ruled by Muslim rulers but did not count many significant towns

movement of the preceding centuries, this did not mean that the Christian kingdoms of Castile, Aragon, Navarre, and Portugal were entirely without Muslim populations. On the contrary, by and large, conquering Christian sovereigns strove to persuade Jews and Muslims to stay, as these communities represented valuable local knowledge and economic resources as rural and urban tax bases.<sup>34</sup> Christian sovereigns of the recently acquired territories, from Toledo to Valencia, kept or adjusted existing social framework in which religious groups had official delegates, paid a fee for security, and rehearsed their own particular ritual and family law. This means that the early Christian rulers in effect ruled over largely Non-Christian populations (Goldberg 2012). From the early 14<sup>th</sup> century the vernacular cultures<sup>35</sup> that had flourished because of the intermingling had started hating the Arabic culture and the Hebrew culture, which they were a derivative off. In the second half of the fifteenth century, Portugal and Spain, and other independent actors related with them, set up military and commercial points on the North and West African coasts. This was driven by oceanic movement for trade and commerce and by a rapid extension of trade routes and other activities, first down the Atlantic around the Cape of Good Hope and later to the Caribbean and the New World. Spanish and Portuguese experience of political relations in the Western Mediterranean, contending and negotiating consistently and fiercely with Muslim sovereigns, constituted their key reference and model as they experienced-and went after- a whole world.

## **Europe and Maghreb in the Modern Times**

It would be more precise to acknowledge that both the imperial powers were contemporary to each other and there were several levels of interactions between them, which had a critical impact in shaping the institutions and forms of both Spanish and Portuguese empire. The interaction between new world and the Atlantic had a swift impact on the relationship between Maghreb and Portuguese & Spanish empire. Similarly, it worth's noting that the state of affairs in Muslim kingdoms and their subject

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<sup>34</sup> Popular sentiment could be quite different and may explain why the Arabized Christian population (Mozarabs) disappeared before Arabized Jews and Muslims, cultural difference within the religious group being less tolerable.

<sup>35</sup> Christian kingdoms with large non-Christian populations—and the religious and cultural intimacy this implies—the quickly developing vernacular cultures namely Castilian, Catalan, Portuguese



in the Maghreb region in terms of ‘dynamism’ were not much different from their European counterparts in the pre-1492 world. They were poised to benefit from their geographical location that guaranteed them a front row seat to conquests and extractions from the New World. These kingdoms pledged significant efforts and resources to grapple some of those extractions from Portuguese and Spanish ships as several of the economies and militaries of the Maghreb like Tripoli and Saleh turned privateering and piracy (Goldberg 2012).

The expansion of the Iberian Empire had profound and deep impact upon Maghreb, as the former expanded and encroached into the trade of the latter with the Atlantic, the Mediterranean and even West Africa, an area with which Maghrebi societies and states had traded vigorously ever since the emergence of trans-Saharan trade in the 9th century (The invasion of Timbuktu in 1590 by Ahmad al-Mansour should be understood in this context). Apart from erosion of trade, the Maghreb also became main centre of migrations for refugees from the Iberian Peninsula. Entire population of Muslims and Jews from the Iberian Peninsula vanished at the beginning of 17<sup>th</sup> century, what can be described as one of the most significant episode of ethnic cleansing in history of Europe before the holocaust. (Salicrú I Lluch 2017). Most of the Jews were expelled in the year 1492 from the Spanish area, which later settled in the Maghreb region. These Jews later took part in confrontation with and incursion in the Iberian Peninsula and later with the French colonial state. Therefore it can be summed up that hostilities based on religion has been an important component of the history of the region. Recent scholarships have delved into the complexities and richness of those historic encounters and networks (Hershenzo 2016). The 16th century witnessed the high point of captivity and ransom, with thousands captured and displaced networks (Hershenzo 2016). Diplomatic and commercial embassies grew significantly (Salicrú I Lluch 2017).

Family networks spanned the sea (Liang 2011). One of the largest displacements of population took place in the first half of the 17<sup>th</sup> century when around 300,000 Moriscos were expelled from Iberian Peninsula. Most of the expelled populations arrived in the Maghreb, and had significant and huge cultural and social impact. Rather than

disappearing, the memory of the converted and departed in Spain, encoded itself into the culture of the new empire(Fuchs 2011).

Before the European powers came to dominate the Mediterranean in the late 19th century, Ottoman imperial control of the Maghreb extended across Libya, Tunisia, and Algeria, stopping short of Morocco.<sup>36</sup> The birth of the Atlantic Economy, the slave trade, the rise of European maritime empires and consequential competition between European Imperialist powers had deeply impacted the Maghreb. With the growing encroachment of Portuguese and Spanish in their lands, the Maghrebi sovereigns sought ways of countering Spanish and Portuguese aggression, which later involved Maghrebi actors of all sorts either as spectators or as participants or both in the competition and exchange, which followed as a result. The Battle of Wādī al-Makhāzin(Battle of three Kings) an important political and military event which took place in 1578, between the kings of Portugal and Spain pitted against Saadians of Morocco is an clear indication of the role Maghreb played in the conflict in that region. The battle ended with devastating consequences for Portugal as the Portuguese king was Killed/Disappeared, which precipitated a crisis for the Portuguese empire, but ending the 100 years of struggle for Morocco and also having long term impact on world history.

In order to counter the aggressive European encroachment in Maghreb (which escalate dramatically after French invasion of Algiers in 1830, which ended in annexing of entire Algerian costal region; later with Tunisia becoming a protectorate of France in 1881, Egypt of Britain in 1882, and Morocco and Libya of Italy and France in 1912) in first half of the 19<sup>th</sup> century, the Ottoman controlled Maghreb (best exemplified in the 'Alawi kingdom of Morocco) saw a series of administrative and military reforms as well as implementation of new economic system aimed at modernization of the state institutions to counter European aggression.

It's quite imperative that the Colonization of North Africa by European powers brought monumental and disruptive changes in the patters of life and culture of people in that

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<sup>36</sup> Ottoman administration varied according to province; the Maghribi provinces of the empire were ruled indirectly.

region. The colonization also leads to profound changes in the relationship between northern and southern shores of the Mediterranean. The change included the establishment of administrative and military structures to rule the people and territories of the Maghreb, the disruption of existing structures and flows (such as east-west Maghrebi and trans-Saharan commerce), and the immigration of large numbers of Southern European workers (Liang 2011).

Thus we can see that over the last two hundred years, two huge populations flows have taken place in the region, first, southward, where people from France, Italy and Spain migrated to countryside and cities of Egypt and Maghreb. This population's flow included both colonial administrators of all stripes and also of workers and their families who migrated to new areas in order to take advantage of new economic opportunities, which resulted from colonization of North Africa. As a result of superior economic system imposed by colonizers, some North African cities like Algiers and Casablanca saw economic boom in mid of 19<sup>th</sup> century, which further created new economic opportunities and need for workers. However, this flow was decisively ended with the anti colonial struggles and movements for independence. The second population flow took place in late 20<sup>th</sup> and early 21<sup>st</sup> century in reverse direction when people from these countries started to migrate intensely (a result of sub-Saharan and Middle Eastern demographic crises and conflicts) northwards which has caused the on-going crisis in the current European political order.

The countries and societies on the western end of the Mediterranean, the Iberian Peninsula, and North Africa are inextricably bound by a shared experience of the past and by deep structures of interaction. Patterns of human movement and exchange have regulated the course of Western Mediterranean exchange since antiquity and in a manner characteristic of this sea, which binds and separates in its own peculiar way: for the water indeed is a divide that must be crossed (even when this is done more easily and quickly than many sorts of land crossings), and the divide certainly exists in popular culture, in the social imagination, and in political structures that shape the movement and containment of individuals and groups and materials today.

The Jewish-Christian-Muslim divide in western Mediterranean is in itself a reflection of Mediterranean pattern based on the medieval articulation of relationship and constitution between different communities, which was later, re-interpreted in early modernity and has precipitated down to contemporary times as a long-lasting pattern in Mediterranean history and relations. Even though with the presence of constant tension, violence and conflicts the relations across national border in North Africa and Iberia are as socially and economically vibrant as ever. The legacy of historical experiences of Arab Conquest and of European colonialism is quite visible, and so are the disparities, the economic pressures and fluctuations of global economy, which impact day-to-day life of the inhabitants of the region. The present is sometimes so grim that the past, and its role in constituting the present can be forgotten.

The Ottoman Empire expanded itself into the Maghreb as far as Algeria in the early modern period. In doing so, they also faced serious competition from the Spanish-Hapsburg Empire, which had from the early 15<sup>th</sup> century, established a series of military settlements on the Maghrebi Mediterranean coast. For several of the Maghrebi operations and smaller states the main source of income was piracy and privateering, which included targeting ships coming from the New World. The French merchants became one of the most dominant political and commercial forces in the Mediterranean by the 18<sup>th</sup> century. The French merchants played an instrumental role in colonization of Algeria by France in 1830. Along with the commerce-military complex, that was characteristic feature of European colonialism worldwide, there was also a significant population flow to southwards of workers from southern European countries like Portugal, Spain, Italy and France, into big cities of Maghreb and also in countryside of Algeria. This movement was later reversed in the 20<sup>th</sup> century.

### **A Recent History of Maghreb and the European Union**

Historically also on analysing we see that the relations between the European member states and the Maghreb has been marked with controversy but interestingly it has also been driven forwards by the mutual desires and needs of the two partners. According to

Khader:

economic reforms, development assistance, immigration, drug flows, energy resources mostly dominate these mutual needs and desires along with the stability in politics and reform, national identity and territorial boundaries and market access. These issues, in turn, are the key to the political, economic, and military security of the western Mediterranean region (Khader 1992).

### **Economic Relations**

The present economic relationship between Maghreb and European Union has its origins in the colonial era and beyond. As we have already established that the Maghreb countries and Europe was already under commercial relationship in the medieval times. The current trade and commerce along with political relations only seem to be an extension of the earlier times. However it is worth noting that Europe has always tried to oppress and exploited the Maghreb nations for their own benefits. The treaty of Rome recognised this historical connection between the France and morocco and Tunisia in a protocol, which overrides the custom union mentioned in the European Economic Community. Both countries wanted to associate themselves with the community in 1963, but it was only after six years that the accord “were signed to facilitate an eventual free trade zone by opening the European markets”(Ahmed 1993) to the products of Morocco and Tunisia, most products. The European union didn’t expect the countries to open the market in reciprocity but they wanted them to comply strictly with the quotas<sup>37</sup> that were imposed on them (Khader 1992).

After the Paris summit in 1972, the EEC mulled adopting balanced and consistent approach to deal with the countries, which were situated in the Mediterranean basin. There were fresh attempts to negotiate terms between Morocco, Algeria and Tunisia and the EEC as part of the 1976 cooperation accords. This accord basically granted free access to markets for industrial goods from all three countries namely Morocco, Algeria and Tunisia, although they were later diluted surprisingly. These surprising voluntary export restrictions on the Maghreb country by the European Economic Community hurt

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<sup>37</sup> In autumn 1968, Morocco signed the first association agreement with the EEC. Under the stipulations of the agreement, Moroccan industrial exports to the EEC (7% of the total) would enjoy full access without duties or quotas. But agricultural products were submitted to stringent restrictions of quotas and calendar

the investment in the areas in Maghreb, which were high in potential (Sid Ahmed 1993). “The Maghreb nations were only required to extend the ‘most favoured nation’-trading trading nation to the European union”(Habeeb 1993). They also received a separate dispensation allowing them to export products partly manufactured or processed elsewhere to Europe on a preferential basis (Khader 1992). From 1977 to 1987 we see that the Maghreb Industrial and agricultural exports to Europe increased substantially however it was nowhere near the potential export that was to be expected, partly because of the world recession. They also faced a reduction in the textile areas as the European textile industry faced a slump so they didn’t allow the Maghreb imports to enter that much into Europe.

European Union financial aid which included the European investments bank (EIB) loans to the Countries which were part of the Maghreb region increased at a steady pace, it rose “from €339 million (1976–81) to €489 million (1981–86), €787 million (1986–91), and €1167 million (1991–95).” (EC 2001) The aid plan from the EIB was the first aid to be approved under the Revised Mediterranean policy, as this revision had shifted the focus of aid from the rural and development too much important areas in economic and structural reforms along with regional cooperation and the environment. Morocco got the best out of all the Maghreb countries as it received funds in excess of €1091 million, compared to €949 million for Algeria and €742 million for Tunisia.<sup>38</sup> However, we see that the financial flows increased the overall composition of the aid had started to swing more towards the loans rather than grants, the overall support still fell short of needs. The aid we have seen was routed through the European businesses and consultancy thus it did not have the effect which aid should have on the Maghreb countries.<sup>39</sup>

This system of financial framework ended with the Barcelona Declaration and the signing of agreements, the Mesures D’Accompagnement (MEDA) program (1995-99) replaced

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<sup>38</sup> Commission of the European Communities (1992). *The Future of Relations Between the Community and the Maghreb*, SEC(92)401 final, 30 April, Brussels: Commission of the European Communities.

<sup>39</sup> Habeeb, William Mark (1988). *Power and Tactics in International Negotiation: How Weak Nations Bargain with Strong Nations*, Baltimore and London: The Johns Hopkins University Press.

this<sup>40</sup>. This program allocated €1248 million (excluding European Investment Bank loans) to the Maghreb, including €656 million for Morocco and €428 million for Tunisia however the rate of disbursement was set at 26 per cent due to the problem of procedure and regulations,

A second version of the MEDA program which was constituted for the period of 2000-2004 with a starting fund of €5.35 billion for all 12 Mediterranean basin countries, based on a series of reforms. These reforms entailed domestic market liberalization and progress in the areas of regional trade cooperation.

A second MEDA program was “instituted for the period 2000–2004, with an initial allocation of €5.35 billion for all 12 Mediterranean partner countries, contingent on a series of reform measures “(Khader 1992). These included domestic market liberalization, infrastructure improvements, small business development, improved social services, democratization, and real progress in regional trade and cooperation. The Maghreb share of “MEDA II funding was €677 million for Morocco, €329 million for Tunisia, and €233 million for Algeria.<sup>41</sup> Of the total (€1239 million), some €835 million was disbursed (67 per cent). In the period 1995–2004, eight Mediterranean countries received €3.25 billion under the MEDA program, whereas eight central and Eastern European countries received €19.9 billion in preparation for their accession to the European Union” (Khader 1992). Over the same period, net foreign direct investment (FDI) flows to the eight Mediterranean countries (excluding the Palestinian territories) rose from approximately “\$1.4 billion per year to approximately \$4.4 billion per year, for a total of \$29.9 billion,

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<sup>40</sup> The MEDA programme is the main financial instrument of the Euro-Mediterranean partnership. MEDA comes from MEdures D'Accompagnement (French for accompanying measures). The programme's regional dimension deals with problems common to Mediterranean Partners and emphasises the Partners' complementary nature. There is also a bilateral dimension (e.g. Country Association Agreements). The MEDA programme provides financial support to the Union's Mediterranean policy as defined in the Barcelona Declaration of 1995. The main aims are to support economic transition, to develop better socio-economic balance, to foster regional integration and to gradually create a euro-Mediterranean free trade area

<sup>41</sup> The initial MEDA regulation was modified in November 2000 by Council Regulation number EC/2698/2000. It is commonly referred to as as MEDA II. The programme's process was modified to allow for a more comprehensive overview and influence of the MEDA II projects, through a joint set of programming papers: Country Strategy Paper, National Indicative Programme, National Financing Plan, Regional Strategy Paper, Regional Indicative Programme, and Regional Financing Plan. During MEDA II (2000-2006) the allocated budget amounts to € 5,350 million. The 9 beneficiary Mediterranean Partners Countries (MPC) are: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria and Tunisia

while the central and Eastern European nations received flows rising from approximately \$11 billion per year to approximately \$19 billion per year, for a total of \$152.6 billion"(Pigasse 1995). The aid statistics quoted here exclude assistance for food, emergencies and non- governmental organizations. They also exclude financial aid from individual EU member states, among which France has been the leading donor for the Maghreb:

| Table: 1 European Union Aid to the Maghreb 1976–2004 |         |         |         |
|--|---------|---------|---------|
| Country  | 1976–95 | 1995–99 | 2000–04 |
| Morocco  | 1091    | 656     | 677     |
| Algeria  | 949     | 164     | 233     |
| Tunisia  | 742     | 428     | 329     |
| TOTAL  | 2782    | 1248    | 1239    |

Source: Including EIB loans (in million Euros)<sup>42</sup>

As a result of the 1989 Revised Mediterranean Policy, “EU aid has increasingly focused on grants or loans for the identification, creation and funding of joint ventures between Maghreb companies and EU member- state firms”(Khader 1992). The money allocated for these purposes under the EC International Investment Partners scheme mainly focused on agriculture and fisheries, manufacturing and construction, and primary processing. The scheme was supposed to be a framework, which would bring European companies and Investors to the area of Maghreb. The scheme however, was abandoned in the year 2000. It had very meagre resources to achieve what it had set out to get, and a complete lack of publicity meant that the people who mattered remained unaware of the program. (Schmidt 1993)There was also other form of aid, which included a modest risk capital fund.

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<sup>42</sup> Commission of the European Communities (1992). *The Future of Relations Between the Community and the Maghreb*, SEC(92)401 final, 30 April, Brussels: Commission of the European Communities.



It has also been said that the nature of preferential trade relations and official development assistance cooperation between the EU and Maghreb states has been one of the reasons that the Maghreb industries may be headed down to the ‘path dependency element’<sup>43</sup>. The path dependency elements can be explained by the fact that among the Moroccan political elites it made more sense to continue the policies of the trade liberalisation which was already in place, they preferred building on the existing relationships which were successful rather than risking the existing framework and venture into the unknown. The waning away of the EU trade preferences for Maghreb could also be attributed to the prevailing economic conditions of European member states, the advancement of the multilateral trade organisations like World Trade Organisation (WTO) could also be one of the reasons that the Maghreb countries were much more in favour of the bilateral trade with the European union member states. The Free Trade Agreements which were sanctioned in favour of the Maghreb countries for the smooth flow of the European exported goods could also be seen as a way of accessing and reaching the previous levels of access of markets which was prevalent. This also becomes important in the view that the European Union had just gained new markets in the form of accession of the Eastern European Countries that were virtually competing with the Maghreb economies.

### **The Case of Maghreb Regionalism**

In 1989, the formation of the Arab Maghreb Union (UMA) signalled the latest in a series of attempts to unify the greater Maghreb (Morocco, Tunisia, Algeria, Libya, and Mauritania) “based on a common religion, geographic proximity, the Arab-Berber population mix, and a great deal of shared history and culture”(Courbage 1994). The Union du Maghreb Arabe was primarily meant to “promote regional political stability in the face of the Western Sahara conflict and emerging Islamism, and to promote regional trade, but it was also seen as an opportunity to increase Maghreb bargaining power with

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<sup>43</sup> Path dependency is an idea that tries to explain the continued use of a product or practice based on historical preference or use. This holds true even if newer, more efficient products or practices are available due to the previous commitment made. Path dependency occurs because it is often easier or more cost effective to simply continue along an already set path than to create an entirely new one.

the EU”(UMA 2012)<sup>44</sup>. The bargaining power that the Maghreb brought to the table was heavily dependent on the factors the Maghreb as a whole offered European Member states a bigger overall market. This bargaining point was also their coercive power. Since they had such a huge market even if the EU member states refused business they had such a huge regional market to look after for their trade. This was one of the ways through which the Maghreb could possibly bargain with the EU to provide concessions.

Despite these goals, “official trade between the Maghreb countries has remained negligible at approximately 3percent of total Maghreb foreign trade”, even though the macroeconomic policies of the core Maghreb countries (Morocco, Algeria and Tunisia) have been “converging since the UMA was formed because of IMF and World Bank-sponsored structural adjustment and donor-funded technical assistance programs.”(Oualolu 1996). Informal trade that exists between the nations of Algeria and Morocco is the indication that there are some kind of economic complementarities between the two nations The overall economic fragmentation of the region, which is principally “a function of the insufficient export complementarity of the Maghreb economies (especially in agriculture) and of trade barriers, has been reinforced by political disputes and by a tendency to be in competition for the same European markets.”( Damis 1998).

Some EU officials, who feared a neo-colonialist situation in which a giant regional bloc would deal with individual Maghreb countries in an even more unequal power relationship than would otherwise have prevailed (Abdallah 2014). The basis of this view was expressed forcefully in a 1991 European Commission memorandum that described the economic regionalism symbolized by the UMA as the ‘congenital vocation’

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<sup>44</sup> The Union du Maghreb Arabe (UMA) / Arab Maghreb Union (AMU) is a Pan-Arab trade agreement aiming for economic and political unity in North Africa. The first Conference of Maghreb Economic Ministers in Tunis in 1964 established the Conseil Permanent Consultatif du Maghreb (CPCM) between Algeria, Libya, Morocco, and Tunisia, to coordinate and harmonize the development plans of the four countries as well as interaregional trade and relations with the EU. However, for a number of reasons, the plans never came to fruition. It was not until the late 1980s that new impetus began to bring the parties together again. The first Maghreb Summit of the five Heads of State, held at Zeralda (Algeria) in June 1988, resulted in a decision to set up the Maghreb High Commission and various specialized commissions. Finally, on February 17, 1989 in Marrakech, the Treaty establishing the AMU was signed by the Heads of State of the five countries.

of the EU, an “inescapable prerequisite for genuine development and for a reasonably autonomous development, and the vehicle of a more balanced and more efficient form of cooperation.”(LaFranchi 1993) Some EU officials, though, believed that the Union could not wait for the UMA to build strength and that Morocco was best prepared to take the lead (Camier 1991).

The Inability of UMA to finally come together and make a unified regional economy much like the EEC was one of the reasons that the Maghreb couldn't bargain at the table through negotiation with the EU. They could have also posed a positive threat on the European commercial hegemony had they came together as an alternative trading bloc. This gave the EU market impetus as the most important market in the region.

### **The European Union Dilemma: East or South?**

After 1985 the European member state has accepted a coordinated North African Policy. This was achieved by creating a Mediterranean unit for Maghreb Affairs; there was also an Informal Forum For Regional affair that was set up for the coordination. The aid volume to the Maghreb increased many fold. The main incentive that the EU expected out of this aid was the boosting of economic growth and this contains emigration. It is however interesting to note that the member states like Britain and Germany wanted to put the preconditions that the aid would only be given if they see any economic and political reforms be implemented in the recipient states. This was the larger part of the larger narrative of the North-South split that EU had on the question of where to focus Development assistance. The Member states from the Northern Part of Europe favoured Eastern Europe as the favoured destination for aid while countries like France and Southern Member states favoured North Africa, “With each of the member-state groupings being motivated by long-standing colonial and cultural ties as well as by more immediate strategic interests.”(Vandewalle 1996) This division among the member states also extended to the issue of ‘free trade’. Germany, which hasn't got the favourable climate to produce agricultural products, was in favour of a free trade agreement in the area of agriculture. On the other hand we see that the Southern Member states were very much against this Free trade agreements as their climate was much like the Maghreb and

they produced similar agricultural items. Hence to protect their farmers they opposed this agreement. They however were in support of the stabilising the Maghreb through major investments. This meant that the cost of this 'investment' would fall differently on the different member states "The combination of these diametrically opposed positions resulted in a European Union policy based on the lowest common denominator: inadequate aid and agricultural protectionism "(Kébabdjian 1995).

The Maghreb countries feared that former eastern-bloc nations, with their better-qualified yet still cheap workers and relatively well-developed infrastructure, would attract aid money and investment at the expense of North Africa. (LaFranchi, 1993) On the other hand, the East European countries also represent vast new potential markets for North African products, products that *can* compete – at least in some sectors. For example, it was the unreliability of East European gas supplies that in part led Western Europe, and especially Italy, to greatly expand gas imports from Algeria. Other factors were the proximity and economic need of the Maghreb, and both considerations can also be seen as competitive advantages. The Maghreb had a

Gross Domestic Product of \$162 billion in 2004, \$84 billion for Algeria, \$50 billion for Morocco, and \$28 billion for Tunisia, and although that figure alone may not be enough to attract large-scale foreign investment, particularly given the obstacles to trade between the three countries, Europe's energy needs may bring significant FDI to that sector." (Abdelkader 1993).

Promising oil and gas discoveries in Tunisia, Libya, and Algeria are expected to further strengthen Europe's dependence on Maghreb energy resources. (World Bank 2005). The debate in between the European member states over how to deliver the development assistance to Maghreb, whether to do it as a financial support or to deliver it into the form of agricultural concessions was one of the most important. This dilemma among the member states suggested that there was an intense competition between Maghreb and Southern Mediterranean nations. This competition between two parties gave a real advantage to the Eastern European nation that were preparing for eventual accession to the EU and thus there was a lot to lose/gain as the debate intensified. It was clear that for Morocco to gain the much awaited agricultural concession it would have to use all the

chips that it had in its bank to leverage the outcome in its favour.

Free trade agreement, which was focused on the non-agricultural products, represented little direct gain for the Maghreb. The European markets were saturated with these products and the production of these doesn't entail a huge export value for Maghreb. Also, this meant that the Maghreb economy and the industries would have to then compete with the much sophisticated European economies and industries. The core strength of the Maghreb, which was agriculture, would still be prevented and unexploited by this agreement.

The benefits of free trade would be mostly indirect that is it is a resource allocation which is more in sync with the competition generated productivity increase and technology transfer. It is likely to be positive in the longer term although the path to positivity is rife with lengthy and painful readjustment, which involves business failure and unemployment (Kébabdjian 1995). The potential of the –

social and political consequences of such an economic shock would have profound implications for the regional political economy, and they highlight the critical importance of Moroccan government economic reforms, of EU aid – in cash and in kind – and of private foreign investment in cushioning the blow. (LaFranchi 1993)

Such an economic shock would have had implications on the social and political arena. The role of Moroccan government and EU aid is imperative to soften the blow. Until 2004 there was negligible large-scale capital inflows, either as loan or grants. In fact the foreign investment was critically low despite the structural adjustment, improved business environment and available cheap labour.

Beginning in 2005, there was a significant increase in the level and diversity of FDI in Morocco, with notable gains in the tourism development, real estate, aeronautics, and off-shoring sectors. New investment originating in the Middle East took an especially high profile. If this positive trend continues, it has the potential to greatly reduce the disruptive impact of the early phases of trade liberalization.

Within the Maghreb, the Moroccan case became unique although at least temporarily

with the signing in 2004 of a free trade agreement with the United States that covers agriculture and services. For Morocco, then, the short- to medium-term disruption in non-agricultural sectors caused principally by the European Union and United States accords will be followed by a long-term reconfiguration of the agriculture sector, given the agricultural provisions of the Morocco/United States agreement. (USDOE 2005) Those provisions will impact only after unprecedented, lengthy transition periods ranging from 15 to 25 years for sensitive products, and the cereals sector (which accounts for the largest share of agricultural employment) will remain protected indefinitely. The lengthy transition could allow Morocco to reap some initial benefits from non-agricultural liberalisation before facing the agricultural challenge, and it also provides a window of opportunity for far-reaching agricultural reform, but this advantage depends on bold and decisive action by the Moroccan government, in partnership with the private sector and international donors, to implement unpopular reforms that past administrations have sought to avoid.

A study that attempted to measure the initial impact of the EU association agreements on signatory country exports found that

Moroccan exports to the United Kingdom and Spain had surged in the period 1991 through 2002, but that exports to most other EU countries declined. Tunisian exports to France, Italy, Belgium, and Spain improved substantially, while exports to Germany (Söderling 2005).

However, the improved export performances of both countries with respect to certain EU member states was largely explained by rising textile and clothing sales. Since a large proportion of Moroccan textile and clothing exports take place under temporary admission customs duty exemptions (imported fabric is promptly re-exported to the country of origin after processing), the increase does not much reflect the reduced tariffs on EU-sourced inputs that had resulted from the association and free trade agreements during the period under study. Perhaps the most relevant finding of the Söderling analysis is that Morocco and Tunisia are significantly under-exporting to the United States compared to their potential (Söderling 2005). The fact that the “Moroccan and other Maghreb governments proceeded with free trade agreements with the European Union,

despite research and empirical evidence that the costs would impact well in advance of the benefits, suggests that elite leadership preferences for closer integration with Europe had much greater influence than domestic economic and political interests threatened by liberalization” (Söderling 2005). It appears that the respective leaderships of the Maghreb countries were either prepared to pay the political price of transitional socio-economic damage, or believed themselves to be effectively insulated from the political consequences of such damage and therefore accorded it relatively little weight in deciding their course of action.

## **Conclusion**

In this chapter we see that the Maghreb –EU relations has been a contended space since the medieval times, the European nations had always been oppressing and using the Maghreb or their own benefits be it a trading partner or security relations. We see that the relation has been an extended one when we compare it with the modern times. The Maghreb still is the ‘European cousin’, which is too close for comfort for the European countries. They cannot ignore it because of its geographical closeness neither they can include it as they are culturally and religiously very different.

Europe has always tried to give enough to the Maghreb nations owing to its colonial past with EU member states. That is enough for them to be controlled and for Europe to have a static market for it. In the next chapter we will look into detail the Foreign policy of EU towards the Maghreb and how it is associated with Development assistance that it constantly receives.

## CHAPTER 3

### European Union's Foreign policy and Development Assistance

Since 1957, the European Economic Community has developed a special relationship with the Maghreb countries, that special relationship has been continued by the European Union over the years. The relationship has materialized in the form of engaging commercial agreements to foster relations and engaging in social and political reforms in order to bring social stability and democratic transitions.

The treaty of Rome which established the EEC included a Declaration of intention inviting two recently independent Maghreb states, Morocco and Tunisia negotiate an association agreement with the EEC “in order to maintain a intensify traditional currents of exchanges ... and to contribute to the economic and social development”.<sup>45</sup> Since France wanted to engage with its formal colonies, the treaty itself contained a section, article 131, which left the door open for associations with non-European countries and territories, which had a historic and special relation with the EEC member states. The article 137 however laid down such rules that he Maghreb countries could have never joined the EEC.

This special place that Maghreb countries got from the EEC clearly shows the importance that the Maghreb countries had as a trading partner. Since then, the relationship had evolved such that the European countries see Maghreb as the ‘Captive Market’ of the European union. This chapter will focus on the successive European policies towards the Maghreb countries which comes under the purview of European Mediterranean policy, we will also try to assess the coherence of EU policy and their effectiveness and the subsequent response of the Maghreb countries

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<sup>45</sup> On 25th March 1957, two treaties were signed in Rome that gave birth to the European Economic Community (EEC) and to European Atomic Energy Community (Euratom): the Treaties of Rome The Treaty establishing the EEC affirmed in its preamble that signatory States were "determined to lay the foundations of an ever closer union among the peoples of Europe". In this way, the member States specifically affirmed the political objective of a progressive political integration



## **The first EEC-Maghreb Agreements**

In the 1960s the EEC started negotiations with the Maghreb countries to associate itself with the Maghreb with trade agreements. They were allowed to export bulk of their manufactured goods, which interestingly enough comprised the tiny part of their exports, however the EEC kept a restrictive stance against the Agricultural exports which made a bulk of their exports. After the launch of the Global Mediterranean Policy in 1972, in addition to the existing trade arrangements the new revised policy added the financial assistance in the form of four financial protocols to the Maghreb countries. This policy lasted almost 20 years (1972-1992) with weak results. This wasn't able to give prosperity to the Maghreb countries and the gap between Maghreb and European countries didn't decrease. The security environment in the Maghreb countries fell considerably with the increase in social unrest and popular protests. The adjustment policies that were implemented by the World Bank and the IMF also had devastating effects in the Maghreb social sphere.

The second and third enlargements with the admission of Greece in 1981 and Spain and Portugal in 1986 made the matter worse for the Maghreb countries, since after the expansion the EEC hardened its stance towards the agricultural exports from the North African countries. The fall of Berlin wall had changed the priorities of the European countries and the Maghreb didn't feature in the list of important International relation engagements. Maghreb pinned their hopes towards the newly formed and nascent Union of Arab Maghreb (UAM). The 2<sup>nd</sup> gulf war produced a much more harmful effect on the Maghreb internal cohesion and led to the cancellation of the Algerian election, this later turned into a renewed internal strife with the fundamentalists. This tension started spilling on the Maghreb too.<sup>46</sup>

By the beginning of the 1990s the Maghreb –Europe relationship was much strained. The Global Mediterranean Policy, which was mostly trade, driven was mostly ineffective and

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<sup>46</sup> For more details see John Damis, Morocco's 1995 association agreement with the European Union, in "The Journal of North African Studies", vol. 3, number 4, winter 1998

it didn't alter the macro economic situation in the Maghreb countries (Siotis 1974).<sup>47</sup> European investors started looking towards other opportunities with less than 1 percent of the European Investment making its way to these countries (Guigou 2013). And due to the perceived instability, lack of independent judiciary and unqualified Labour force most of the European industry remained reluctant to engage in industrial cooperation with the Maghreb countries. We can see that the 20 years of GMP was in no way helpful in changing this perception (Smith 2004).

In response to the mounting frustration and discontent over the Mediterranean policy EU came up with a new policy called the Renewed Mediterranean Policy (1990) with the aim of reinventing its failed Global Mediterranean Policy and rejuvenating it. As the Commission says: "The Mediterranean Policy adopted by the Council in December 1990 reinforced existing efforts and introduced new features to make relations with Mediterranean non-member countries more dynamic". (European commission, 1990) But browsing through the official documents, one is at pains in finding real novelty in this policy with the exception of a new financial facility to promote regional and decentralized cooperation like Med-Campus, Med-Urbs, Med-Media, Med-Invest etc<sup>48</sup>

## **The Barcelona Process of 1995**

In the first half of the 1990s a lot of major paradigm shift happened in International politics. The Berlin wall fell and it led to the reunification of the European continent. The Maastricht treaty led to the formation of a unified Europe and above all the Madrid peace conference and Oslo Peace process spurred optimism also arousing political hopes<sup>49</sup>. On

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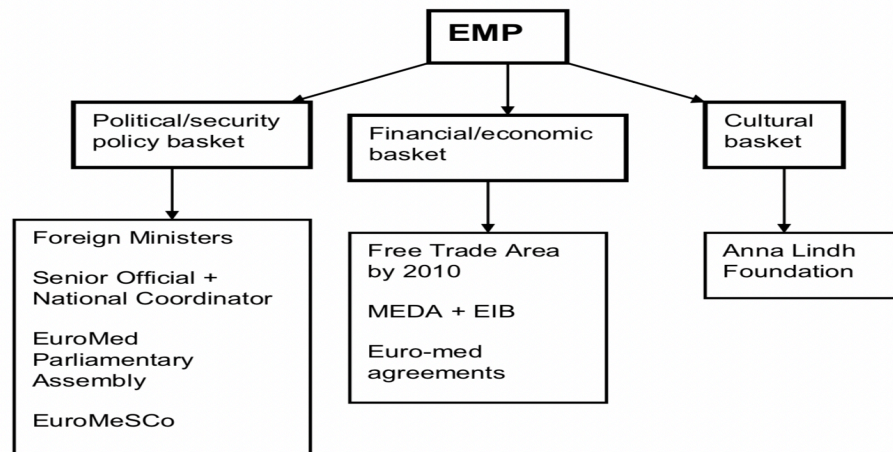
<sup>47</sup> Karen Smith, *European Union Foreign Policy in a Changing World*, 2<sup>nd</sup> edition, Oxford: Blackwell Publishing, 2004, p. 75.

<sup>48</sup> Launched under the aegis of the Community's Mediterranean Policy, Med-Campus and Med-Urbs have acquired two sister programmes which are now in phases. Med-Invest has been designed to promote trans-Mediterranean cooperation between small and medium-sized businesses, while Med-Media brings together newspapers and radio and television organisations from North and South of the Mediterranean.

<sup>49</sup> The Madrid Peace Conference, held from October 30 to November 1, 1991, marked the first time that Israeli leaders negotiated face to face with delegations from Lebanon, Jordan, Syria, and, most importantly, with the Palestinians. In order for this moment to happen, both the United States and the (now former) Soviet Union had agreed to host the conference. Over a tense three days, several bilateral and multilateral

the other hand due to the absence of the Soviet Union many a countries, which had earlier cozied up to the soviet in the Mediterranean region, had to recognise the US as the sole superpower, this laid out various permutation for a new type of alliance which was supposed to be started now.<sup>50</sup> It was a befitting time to have an agreement between the EU and South East Mediterranean countries. Barcelona process originated from the declaration signed by 27 ministers of Foreign affairs in 1995, which gave birth to the Euro- Mediterranean Partnership (EMP) and ushered a new era of contemporary cooperation framework, a relationship that was complete, consistent, wide, effective and cohesive

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**Figure 1. Euro-Mediterranean Partnership 1995 (EMP, Barcelona process)**

The Barcelona Process was the first real overarching EU policy towards the Mediterranean region, which was set up as a truly comprehensive scheme. Structured around three cooperation baskets: political and security, economic and financial, social and cultural in 2005, a fourth cooperation basket was added with the field of migration

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talks were scheduled with the goal of covering a wide variety of issues, from the economy to the environment

<sup>50</sup> On August 20, 1993, representatives from Israel and the Palestine Liberation Organization (PLO) signed the first of the so-called Oslo Accords in Oslo, Norway. The Oslo Accords would be the last major, long-term initiative for peace between Israelis and Palestinians.

<sup>51</sup> European Commission, *Europe and the Mediterranean: towards a closer partnership*, Belgium: Office for Official Publications of the European Communities, 2003, p. 9.

and mobility), the Barcelona Process aimed to prompt a virtuous circle by setting up a free trade area by the year 2010 that would pave the way for greater regional integration, investments and job creation.<sup>52</sup> This would lead to further democratisation in some of these countries, thus generating greater regional stability and peace. After the signing of the Oslo peace agreement, it was also premised on the high hopes that the Peace Process in the Middle East would lead to a long-lasting solution and that the EU could contribute its part to its success, as peace facilitator, by bringing together Israel and the Palestinian Territories around the same table (Yacoubian 2004). The objective was not to facilitate direct discussions between the two actors on the conflict but to create grounds for common work in a multilateral framework (White 2001).

The Barcelona Process also “generated a broad institutional ecosystem that allowed it to escape from the pure intergovernmental dynamics”(Yacoubian 2004). Apart from the classical Conferences of Ministers for Foreign Affairs, the sectorial ministerial meetings covering domains such as transport, economy, culture, internal affairs, education and justice, the establishment of high level working groups, the role of the rotating presidency, the Senior Official Meetings. The Barcelona Process also gave birth to the Anna Lindh Foundation for the Dialogue between Cultures in 2005 with headquarters in Alexandria (Egypt), which is still a very active stakeholder that promotes intercultural and people-to-people dialogue, the Euro-Mediterranean Parliamentary Assembly, which worked under four committees bringing together national and EU parliamentarians, or the Civil Forum, which involved civil society in the venture and extension of the institutions’ operation in general (Yacoubian 2004).

Along with the expansion of the institutional ecosystem, the EMP also provided significant economic and financial cooperation. The support for the Mediterranean partner economies became a central and pivotal aim of the Partnership, thus establishing a financial instrument called MEDA as the main vehicle to implement its policies and activities. These were funds provided by the European Commission and partly managed by the European Investment Bank, which targeted all partner countries and were

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<sup>52</sup> European Commission, *Europe and the Mediterranean: towards a closer partnership*, Belgium: Office for Official Publications of the European Communities, 2006,

allocated to the support of structural reforms, economic transition, private sector development, development programmes in the fields of education and health, regional and cross-border programmes involving two or more of the partner countries and the EU. In 10 years (1995-2005), the MEDA instrument invested more than EUR 10 billion in the region, and in 2007 the latter was replaced by the European Neighbourhood and Partnership Instrument.

Regrettably, after 2001 the EMP lost part of its impetus and appeal, although it did catalyse into a new initiative – the Union for the Mediterranean – until 2008. Subsequent events that the terrorist attacks perpetrated in the US, Madrid and London, the war in Iraq, the developments regarding the Arab-Israeli conflict, the increasing trends in irregular migration using the western and the central Mediterranean routes. Placed security on top of the political agenda again at the expense of other objectives outlined in the Barcelona Declaration. In fact, that process specified an ideal context in which Euro-Mediterranean relations should develop but the political circumstances, the innate difficulties and the lack of sufficient political will from some members regarding all or certain actions did not create a favourable environment for the complete implementation of the Declaration, despite the indisputable progress in many field (Yacoubian 2004).

### **The Launch of the European Neighbourhood Policy**

In 2002, the EU began the largest enlargement process that has ever taken place with the accession of 10 new member states, two of which were from the Mediterranean region. Some Nordic countries from the EU, in particular, started pushing for a common initiative aimed at the new eastern periphery of the Union. The swift reaction from the Mediterranean EU countries encouraged the European Commission to include the southern Mediterranean countries in the proposal of a “Wider Europe” that the European Commission was going to launch in 2003 in the form of a new European Neighbourhood Policy (ENP).

In addition, these years were earmarked by the emergence of new discourses on the other side of the Atlantic that suited the launch of the ENP very well, not as a EU response to

US policies but as a way to distance itself . The ENP became and is still today a strategic response of the EU to the changing landscape of the two neighbouring regions in Europe (the south and the east). Rather than a policy with the neighbours, it is a policy for the neighbours, following a core- periphery logic, which focuses on reinforcing prosperity, stability and security in the wider area of Europe. The main vehicle used is the Action Plan, which is developed by the neighbouring country and discussed with EU officials. It is supposed to be a joint exercise to devise and implement an agenda of policy reforms, in spite of criticism from southern neighbouring countries that in the end it is the EU itself that sets the objectives of what has to be done. Furthermore, inherent in the Action Plan are the principles of differentiation and positive conditionality. Differentiation allows the EU to apply and adapt the supply to the various degrees of demand amongst the southern partners, in what has been defined as variable geometry within the policy, whereas positive conditionality can be synthesised as “more resources for more reforms”. The EU was ready to allocate increased financial assistance provided that more progress is achieved in terms of political dialogue and reforms.

These very basic principles of the ENP have led to further political engagement with some of the southern partner countries. It was the case of Morocco and Jordan, which was rewarded with an ENP, advanced status in 2008 and 2010, respectively. The advanced status is the most developed relationship of southern neighbouring countries with the EU on top of the Association Agreements, which have been signed with all 10-partner countries except for Libya and Syria.

The EU was also seeking to

Advance market access and cooperation on migration and mobility issues with its southern partners. Negotiations on Deep and Comprehensive Free Trade Agreements (DCFTAs) are in progress with Morocco and Tunisia. Mobility partnerships, opening the way to visa facilitation and readmission agreements, have been launched with Morocco, Tunisia and Jordan, and are being discussed with other countries in the region (Yacoubian 2008).

When the ENP was launched in 2003-04 many of the Mediterranean partner countries complained that that it overlapped with and rivalled the Euro-Mediterranean Partnership (EMP), although the latter was a multilateral forum, and the ENP was conceived through

the Action Plans and part of the financial instruments associated as a bilateral policy between the EU and each individual neighbour. With the passing of time, the ENP, which is still in force, and the Barcelona Process (until 2008) complemented each other, and whilst the former was a driver for bilateralism, the latter became a hub of regional initiatives and multilateral political dialogue between EU member states and their southern partners. This is not entirely precise since the nature of both frameworks was distinct, yet most of the funds that the ENP allocated to the region (first through the MEDA programme and, from 2007 onwards, through the European Neighbourhood and Partnership Instrument) were used to nourish the implementation of the Action Plans, whereas only a remaining part covered regional and cross-border cooperation programmes. In the 2007-13 multi-annual financial budget the EU dedicated a total of EUR 12 billion to the ENPI, 2/3 distribution in favour of the south and 1/3 in favour of the eastern neighbouring countries (Yacoubian 2008).

Nonetheless, what did change the contours of the ENP was the so-called Arab Spring or Arab popular revolts, in early 2011, which caught the EU by surprise and triggered a first rethinking of the ENP. The European Commission proposed a more differentiated policy approach to the southern neighbours, based on the so-called 3 M: money, markets and mobility, as well as on the principle of “more for more” positive conditionality. A principle to be built upon three elements: democratic transformation, stronger partnership with the people and sustainable development. In addition, a Civil Society Facility and a European Endowment for Democracy were created. However, the funding adopted since 2011, as well as the new multi-annual financial envelope of the EU for the period 2014-2020, amounts to EUR 15.4 billion (for both southern and eastern neighbours), a little more than previous envelopes but still insufficient.

Recently, in the autumn of 2015, the EU completed a second review of the ENP, and a few months later, in the spring of 2016; the EU also released the new Global Strategy for Foreign and Security Policy with the aim to update the principles, objectives, priorities and means of the Union’s policies in those fields. The EU indicates that stabilisation, differentiation and mutual ownership are the key priorities of the new policy vis-à-vis the EU’s neighbours, and it places economic development for stabilisation, the security

dimension, as well as mobility and migration as the proposed joint areas for cooperation within the partnership. In summary, it proposes building together state and societal resilience through conflict mitigation, socioeconomic development and administrative assistance. It also pays attention to the regional dimension of Euro-Mediterranean cooperation by fostering more holistic and integrated approaches with the other existing partnerships of EU member states and SEM countries.

## **The Union for the Mediterranean**

The Barcelona Process was a unique exercise. It was a common effort of countries with different objectives, pursuits and policies, which created optimism and hopes but also disappointments and, sometimes, unfair criticism. That criticism resulted in efforts to find solutions for its reinvigoration. The Barcelona Summit in 2005, called by the Spanish Presidency of the EU with the excuse to commemorate the tenth anniversary of the launch of the Barcelona Process, was probably the most effective landmark, despite the absence of Arab leaders. It also stimulated the evolution of the Euro- Mediterranean Partnership (EMP) and the establishment of the Union for the Mediterranean (UfM) in 2008, thus demonstrating the utility of the institution.

In spite of the evolutionary reform of the Barcelona Process into the Union for the Mediterranean, the same process applies in its substantial provisions. The essence of the relations between the north and south of the Mediterranean is more balanced and upgraded; its organisational structure is strengthened with the establishment of an effective Secretariat in Barcelona, whereas the political, financial and social objectives remain considerably the same. The principle of positive conditionality has been dropped to avoid unnecessary clashes among members, whereas the principle of variable geometry has been generalised following the practice within the ENP. Three objectives were set forth when the Union for the Mediterranean was established in relation with the previous Barcelona Process. The first one was to improve the sharing of responsibilities (co-ownership) between the northern and southern member countries through the establishment of a co-presidency. From 2008 until 2011, France and Egypt assumed the UfM co-presidency.



Secondly, the creation of the UfM responded to the needs of upgrading the political level of the EU's relationship with its Mediterranean partner countries. To that end, it was decided that Heads of State and Government would hold biennial Summit Meetings. Nonetheless, already at the beginning of January 2009, the then Egyptian co-presidency of the UfM announced that all political meetings of the UfM were going to be postponed. The political atmosphere was poisoned due to the war in Gaza, as it was reflected after the Conference of Ministers of Foreign Affairs in November 2008, and particularly in June 2010 when the Second Summit Meeting of the UfM was supposed to be convened in Barcelona, and never took place. This adjournment, combined with the impossibility of holding Foreign Affairs Ministerial Meetings conveyed a strong negative message regarding the start of a newly formed partnership. Even in the history of Euro-Mediterranean relations, the stalemate of the political structures was never so unprecedented. Five years had to pass before the Foreign Affairs Ministerial Meetings could be resumed but, in the meantime, the functioning structures of the Union for the Mediterranean, especially the Secretariat based in Barcelona, made considerable progress.

Thirdly, the UfM aimed at increasing visibility of the partnership through the identification, appraisal and *labialisation* of regional cooperation programmes and projects in six priority areas: private sector development and youth employability, energy, environment and water, transport and urban development, civil protection and gender policies, and higher education and research.(UfM Action report 2017) 47 of these initiatives have been adopted amounting to more than EUR 5 billion in projects targeting the SEM countries. In this respect, the “main added value of the UfM lies in the interrelation created between the policy dimension and its operational translation into concrete projects on the ground, which in turn nourishes the definition of relevant policies through a multi-stakeholder and inclusive approach.”(UfM 2017) This methodology adequately addresses the three key interrelated priorities of the UfM, which are regional stability, human development and integration. Other Initiatives of Regional and Sub-Regional Political Cooperation

Additionally to the aforementioned initiatives promoted by the EU includes regional and sub regional, or its predecessor institution, it is worth mentioning the following multilateral:

- 1) The Western Mediterranean Forum, commonly known as the 5+5 Dialogue, is an informal sub-regional forum for the Western Mediterranean that since 1990 has brought together five countries from the north (Spain, France, Italy, Malta and Portugal) with five countries from the south (Algeria, Libya, Morocco, Mauritania and Tunisia). The 10 countries also organise periodical sectorial ministerial conferences. Some of them, such as foreign affairs, interior, defence and transport, began with a more reduced format and then expanded to the 5+5. The spheres in which initiatives have gradually crystallised are: interior (since 1995), migration (2002), parliamentary relations (2003), defence (2004), tourism (2006), transport (2007), education (2009) and the environment and renewable energies (2010).
- 2) Mediterranean Partners for Cooperation in the Organisation for Security and Cooperation in Europe (OSCE) is an informal group, whose main objective is to exchange experiences, ideas and information about regional developments and to furnish OSCE with ideas on how to contribute towards stability and security in the neighbourhood of Europe by supporting transitions in the SEM countries. Five southern partners take part in this initiative since the early 1990s: Algeria, Egypt, Israel, Morocco and Tunisia.
- 3) Mediterranean Dialogue with NATO was launched in 1994 when the North Atlantic organisation realised the strategic importance of cooperation with the countries of the Mediterranean. It is a forum for discussion, which serves as an instrument for exchange of views and information, which also promotes practical cooperation with a wide array of activities ranging from public diplomacy to crisis management, border security, observation of military exercises... Seven partner countries take part in this initiative: Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia.

- 4) The MENA programme of the Organisation for Economic Cooperation and Development (OECD), which promotes broad reforms to enhance the investment climate, modernise governance structures and operations, strengthen regional and international partnerships, and promote sustainable economic development throughout the MENA region. This initiative covers a geographic area that extends beyond the traditional SEM countries.

As mentioned, Morocco's trade negotiations with the EU present an excellent case study of lop-sided development in EU-Maghreb relations and this asymmetrical negotiation underlines the flaws and failures of EU Med policies.

### **Morocco: Case Study For EU-Med Policy**

Morocco seemed reluctant to engage with the EEC in the beginning of 1960s. It was during the campaign for the first parliamentary elections of 1963, Read Guedira pushed for an association agreement with EEC, which aimed at extending "the quotas and preferences which Morocco enjoyed in the French market to all six member States of the Community".

Under the pressure of Italy, the EEC was initially hesitant to "granting comprehensive measures that could allow Morocco agricultural products to compete with its own members"<sup>53</sup>. The EEC assumed that such concessions would deny the principles of the Common Agricultural Policy (CAP), which gives preference to the member states for their agricultural exports (Damis 1998).

The EEC also opposed second Moroccan proposal to set up a "free trade zone with the EEC". The EEC raised two reasons for the same. It contested that free trade agreement would not be beneficial for Morocco because the country was in no position to compete with other members. The other reason for turning down the proposal was opposition from other member states of EEC because this would have given free access to Morocco in EEC market.

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<sup>53</sup>Trade Policy Reviews: First Press Release, Secretariat And Government Summaries

Though official negotiations did not materialize, some EEC members like Belgium signed agreements with the Maghreb countries to ease the immigration of Moroccans seeking work in Europe. Belgium celebrated in 2014 the 50th anniversary of the first wave of Moroccan migrants, which took place in 1964.

The negotiation talks with the EEC resumed in 1967. The EEC maintained that the agreement should be partial and not comprehensive and Morocco should accept the principle of reciprocity. In 1968, Morocco signed the first association agreement with the EEC. Under this agreement, it was decided that Moroccan agricultural exports would face quota and calendar restriction while industrial exports to the EEC (7% of the total) would enjoy full access without any duties or quotas.

In 1972 EEC incorporated three new members (first enlargement of EEC), member countries called for a more comprehensive approach. Subsequently in 1973 Global Mediterranean Policy (1972) began to be implemented. GMP was aimed to be more comprehensive in scope and in geographical coverage. And it was presented as a significant leap in EEC-Maghreb relations.

A new generation of agreements had to be negotiated. The EEC-Morocco cooperation agreement came into effect in November 1978. Substantially, it was quite a reproduction of its predecessor ten years earlier, but, this time, there was no limited five-years duration and included migration regulation and financial assistance. Within aid framework, a first financial protocol has been agreed upon for the period 1976-1981 and was followed until 1996 by three other financial protocols.

| Years   | EEC Budgetary Funds | E.I.B Loans | Total |
|---------|---------------------|-------------|-------|
| 1978-81 | 56                  | 74          | 130   |
| 1982-86 | 90                  | 109         | 199   |
| 1987-91 | 151                 | 173         | 324   |
| 1992-96 | 218                 | 220         | 438   |

Table: Financial protocols between the EEC and Morocco (1976-1996)

The Euro-Mediterranean partnership (EMP 1995) was envisaged as a better tool to deal with new security challenges and comprehensive enough to allow social and cultural cooperation and political and security dialogue along with economic and financial assistance.

It was Morocco which kick started negotiations for a new association agreement of the third generation. The EU and Morocco held three rounds of exploratory talks and several sectorial meetings in 1992. The EU's Commission met in December 1992 for a future association agreement with Morocco. The agreement was based on political dialogue, progressive free-trade area by 2010 and financial assistance. The EU Council endorsed the draft in December 1993. But the proposal set forth by the new Commissioner, Manuel Marin who had replaced Abel Matutes, fell short of the initial commitments of the Commission<sup>54</sup>. On 14 February 1994, the Moroccan Government uttered its reservations in a detailed memorandum. Morocco objected the proposal of opening up of its market to EU industrial products immediately while it would have to wait years to have better access for its agricultural products in EU market. The memorandum underscored the limited financial incentive compared to the forecasted loss of almost \$ 800 million a year from custom duties imposed on imports from the EU (Damis 1998). EU's response evaded clear-cut answers to Morocco's reservations suggesting that progress in resolving differences will occur with time.

By April 1994, another debatable issue disfigured the association negotiations: the mid-term review of fisheries agreement, a four-year agreement signed in April 1992. Morocco wanted to boost its negotiating position and to show to the EU that it has some leverage in negotiations. So Morocco asked EU to reduce its fishing capacity and seized the opportunity of the mid- term review to harden its attitude. Morocco wanted to enhance its negotiating position and to show to the EU that it has some leverage to tip the balance between the two parties.

Under heavy pressure from its local farmers, especially Spanish growers, the EU did not give in to the demands of Morocco to raise the quota for agricultural products (in the case

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<sup>54</sup> The memorandum underscored the limited financial incentive compared to the forecasted loss of almost \$ 800 million a year from custom duties imposed on imports from the EU

of tomatoes it was limited to 135,676 tons while Morocco had the capacity to double that quota), and to extend the period of delivery which is limited from November to March. The Association agreement was signed on 13 November 1995. A new fisheries agreement was also signed on 26 February 1996. Under this agreement, Morocco was allocated 450 million euros for the three-year period 1996-1998, a tripling of the aid provided under the IV financial protocol. The agreement demonstrates the way the EU Mediterranean policies are conducted and the contradictory objectives pursued. The EU gave the demonstration of its incapacity of becoming a real engine of growth in its "nearest abroad", or, a fortiori, a region-builder.

Morocco's dependence on EU put constraints on Morocco's efforts to improve its position in negotiations. Approximately 65 percent of its trade is with the EU, 90 percent of its migrants are settled in European countries and the bulk of foreign capital inflows come from EU member states. With such dependence, Morocco cannot afford to risk its relations with the EU. By contrast, Morocco represents a very tiny fraction of EU external trade, which figured at less than 1 percent. With such power asymmetry, Morocco had to bow and accept the terms of the negotiation proposed by the EU. This remark applies to the other Maghreb States.

### **The Maghreb and the Euro-Mediterranean Partnership**

After the first generation of trade agreements in the 60's and the generation of cooperation agreements of the 70's, the EU proposed Euro-Maghreb partnership which, after the Oslo agreement of 13 September 1993, was enlarged to include other Arab countries of the Mashrek (Egypt, Lebanon, Syria and the Palestinian territories) and other non-Mediterranean States (Turkey, Cyprus, Malta and Israel). The initial Euro-Maghreb partnership was renamed Euro-Mediterranean partnership.

Euro-Mediterranean partnership was launched in the first Euro-Med ministerial conference of Barcelona on 27-28 November 1995. This new policy aimed at establishment of a free trade area by 2010, between two asymmetrical groups. As Eberhard Rhein, a former Director General of the Mediterranean Commission,

recognized: “Never before have so many countries with such different level of development attempted to establish a free-trade among themselves”.

This partnership raised some pertinent questions. The European countries fared much better in term of per capita income as compared to the per capita income of the poorest Southern Mediterranean countries. How is it possible to establish a free-trade area between integrated region (the EU) and the least integrated region (the Maghreb and the Mashrek) of the world?

The other questioned raised was that even with such disparities, why the EU came up with this new in knowing, beforehand, that it was not capable or willing to agree liberalization and that the Maghreb countries in particular were not accept full reciprocal trade agreement whose cost would be unbearable?

The answer is given by Eberhard Rhein. He writes that the “trade liberalization has become the accepted paradigm through the world”, adding that

from European perspective, it was not so much the progressive abolition of all import barriers and the free and preferential access that European business would obtain in the Mediterranean markets that mattered but the reform process and enhancement of competitiveness that were expected to go along establishment of free trade(Rhein 1996).

In other words, the free trade is seen as a catalyst of reform Mediterranean countries to adopt a wide range of common rules and for doing business among themselves and to engage in a modernizing that would help them to 'attain lift-off' and to gradually catch up with EU economy. Another logic underpinning the Euro-Med partnership is “enshrined in the expectation that higher growth rates and economic development would automatically spark political reforms”. Economic and political reform would diminish the desire to migrate as new job opportunities are offered to the educated youth. According to this logic, the Euro-Med partnership is not about development in se of the Southern region, but about development as “route to reform” and political stability of the EU's Southern flank, which is chief among the preoccupations of the EU (Rhein 1996)

From Southern Mediterranean perspective, Euro-Med partnership is handicapped by three major flaws: the excessive verticality in the relations between the South and the North, the economic gulf between the parties and the undeniable fact that a free trade area is almost impossible between a group of highly integrated countries (EU) and a fragmented region. Having this in mind, it was obvious, from the very start that free trade was to benefit primarily to the EU itself. Not only Maghreb (and other Mediterranean countries) would lose significant financial resources as their custom barriers were progressively dismantled, but also their small and often inefficient industrial sector would be crushed. Thus, the expected pain would be immediate while the potential gain (more competitiveness, more taxes, and more efficiency) is deferred, and even problematic. Admittedly, not all Southern Mediterranean countries would be on the losing side. Some may increase their efficiency (domestic, State apparatus, allocate etc.). But others may not weather the economic shocks stemming from free trade.

Undoubtedly, the Euro-Med partnership is primarily a supply-driven initiative by the EU and not a demand-driven initiative of the Southern Mediterranean region. It epitomizes the inequality between the two parties, where one party, the EU, proposes its ideas, disposes of the financial instrument and imposes its agenda and priorities.

That's why the EMP is mainly trade and security driven. Of the three objectives, often brandished by EU officials and experts, i.e. peace, prosperity and stability, only regime stability has been achieved, at least until the outburst of the Arab Spring in 2011. But none of the conflicts in the Southern Mediterranean whether in Cyprus or Palestine has been disentangled and resolved. In the particular case of the Arab-Israeli conflict, the situation even worsened with the pursuit of Israeli occupation and colonization and the various Israeli offensives on Lebanon in 2006 and on Gaza in 2008-2009.

As for prosperity, it just remained a wishful thinking. It is true that EU- MED trade almost doubled in the first decade following the Barcelona conference. But youth unemployment surged further. Regional integration remained deadlocked. And last but not least economic convergence did not materialize, in the sense that the EU's sustained engagement in the Maghreb (and indeed in the other Mediterranean countries) has not



moved the region closer to EU income levels. Since the Barcelona process was launched, in 1995, the income gap between Maghreb countries and the EU has barely narrowed (Balfour 2009).

### **The Maghreb in the European Neighbourhood Policy (ENP) and the Union for the Mediterranean (UfM)**

Soon after the disintegration of the Soviet Union and the violent implosion of Yugoslavia, the EU has launched new cooperation initiatives with neighbours:

- Stabilization and association process in the West Balkans starting in 2000
- Partnership and cooperation agreements with Russia, Ukraine and Moldova in the period 1994-1995
- Euro-Mediterranean partnership in 1995.

In 2003-2004, the EU forged a new policy called the European Neighbourhood Policy. The new policy was mainly a European response conceived to cushion the impact of the enlargement and to secure the new external borders of the EU, after the 6th enlargement to 8 Eastern and Central European countries and two Mediterranean islands. But it did not constitute a seismic shift from previous EU-Med policies, since its premise remained entered on security. If the EU wants to shield itself from the insecurity of the new neighbours, it must export its own values to them, by helping them to become modern, prosperous, peaceful and democratic and European-like States. (Balfour 2009).

The new policy concerned 16 countries three Eastern European countries like Ukraine, Moldova and Belarus, three countries of the Caucasus Armenia, Georgia and Azerbaijan, Israel and 9 Arab countries. The sole difference between neighbours relates to the perspective of accession to the EU. As "European neighbours", Eastern European countries may apply for membership in due course, while as "neighbours of Europe" Arab countries are not entitled to future membership (Balfour 2009). The ENP reinforced bilateralism with actions plans, flexible funding, and conditionality. But in the Southern and Eastern Mediterranean, the use of conditionality is not so stringent since there is no "membership incentive".

Therefore the first characteristic of the ENP is the prevalence of bilateral over regional cooperation. The ENP brings together Southern neighbours closer to the EU but leaves them indifferent to their own neighbours (Balfour 2009). While the second characteristic is differentiation: those neighbours who engage in serious reform are rewarded by better access to the Single Market and granted the privilege of an enhanced status {statute avancé)<sup>55</sup>. Morocco was granted such an enhanced status in 2008. The Union for the Mediterranean is more region building oriented. By focusing on big projects, it aims at fostering regional cooperation and integration. In comparison with previous EU-Med policies, its added value is evident. Unfortunately, its creation in 2008 was almost concomitant with the crippling financial crisis. This trimmed its ambitions and many projects remain in the drawers waiting for better days. But it would be excessive to say that the UfM is “a story of a balloon which lost its air” (Balfour 2009).

### **The Assessment of the UfM**

The UfM Summit that would have hosted 43 leaders in Barcelona got postponed due to various reasons including the Arab world turbulence- for the second time within six months, in November 2010. The above demonstrated the challenges, gaps and the critical “situation of the UfM but speaking more globally; also of the Euro-Mediterranean relations”. It is worth mentioning that the overwhelming political voluntarism and considerable diplomatic endeavours that took place did not bring forward any aspiration. Although, considering that traditionally the Mediterranean have been a surrounding area rather than an immediate border, various attempts to strengthen the relations between both the Mediterranean shores have not ceased since the sixties: the Arab-Euro dialogue process continuing from 1972 to 1995; the 5+5 Dialogue initiated in 1990: the Barcelona Process inaugurated in 1995, and last but not the least the ENP in 2004. Following the above, the UfM brought forward by Sarkozy in 2007(set in motion officially in Paris in July 2008) as an internal French policy tool, was aimed at retrieving the French prominence in the Mediterranean area.

After the grim uncertainty the French project had to overcome, especially the

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<sup>55</sup> Morocco’s keen interest in further integration with the EU through obtaining ‘advanced status’ in its relations with the EU in the framework of the ENP has given European governments substantial additional leverage over the Moroccan government.

unwillingness of the Arab countries and some of the Member States like Germany<sup>56</sup>, it is of vital importance to emphasize that the initiative has overcome three factors challenging to cope up, because of their sheer complexity. The first is in relation to its launch coinciding with the occurrence of a financial crunch, resulting in an economic crisis, thus negatively impacting the financial assistances towards the UfM not just from the EU but also the foreign direct investment. The second factor affecting UfM and the Barcelona Process is associated with the tension in the Middle East, the effects of which have impaired the Euro- Mediterranean relationship (Bicchi 2009). In fact,

On the 27th of December 2008 and only a few months after the “constituent” summit of Paris in July 2008, Israel launched the “Operation Cast Lead” over Gaza that lasted until the 17th of January 2009 provoking devastating effects not only in the Gaza Strip but also in the UfM, which started to stroll with a limp.<sup>57</sup>

The third factor was the coming of the Lisbon Treaty (December, 2009) that led to “insecurities related to, how and who should be holding co-presidency on the EU side”; the functioning of the “High Representative for Foreign Affairs and Security Policy”, or how to integrate into the “initiative the European Service of External Action “(Johansson-nogués 2011)

Apart from the above mentioned factors, it is requisite to add the unstable situation of the Arab world as another one, so the evaluation of the five working years of the UfM have been disappointing owing to the paralysis of the plan that affects not only itself, but also

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<sup>56</sup> That factor would bring as a consequence the French-German compromise of 3rd March 2008, introduced jointly by the French President and the German Chancellor at the European Council, held the 13th and 14th March 2008, where the German scheme was taken into account, rejecting the French proposal of limiting its scope of action to the Mediterranean neighbouring countries. Now all the EU Member States and the Mediterranean non-member States were part of the UfM, and for that reason even the first denomination was modified after the European Council, so from the Mediterranean Union it was adapted to “Barcelona Process: Union for the Mediterranean”.

<sup>57</sup> As a matter of fact, the scheduled meeting of the brand new UfM between January and April 2009 were cancelled, but later resumed at the level of senior officials and later on at the ministerial level. Nevertheless, the tension remained because in November 2009, the Chief of the Egyptian diplomacy declined to encounter his Israeli counterpart, the ultranationalist Avigdor Lieberman, during a meeting of Foreign Affairs Ministers in Istanbul within the framework of the UfM. Posterior to that incident, the assault of Israeli commandos to a flotilla reaching Gaza, on the 31st of May 2010, only a few days before the scheduled date for the summit -already cancelled at that time- of Heads of States and Government of the UfM in Barcelona, just escalated the tension and as a consequence the recent established UfM was even more undermined.

the material content of it (Bicchi 2009). In fact, even in July 2009, the first year of its establishment, the European Commission introduced an effort regarding the contribution towards the priority projects of UfM<sup>58</sup>. Henceforth, to finance those projects the French diplomacy announced an investment fund of 385 million euros named Inframed, in May 2010.<sup>59</sup>

It is noticeable that until this moment, these wilful attempts had a limited effect towards the real development of the projects, and therefore, it has to be noticed that once more the calendar apparently will not bolster the outcome of this initiative. The noticeable development of the UfM (including its priority projects) will depend upon the acute economic condition of the EU, an aspect that will be existent in the financial perspective of future negotiations during 2014-2020.<sup>60</sup>

Primarily due to the economic and financial crisis in Europe, the funding of the UfM comprises a non-solved issue. The Paris Declaration in fact drew attention towards the additional value of the UfM lying in “its ability to draw more financial supplies with a

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<sup>58</sup> The 10th July 2009, the European Commission announced an additional contribution of 72 million euros for the term 2009-2010 with the purpose of strengthening the development of the priority projects of the UfM, which were determined at the “constituent” summit in Paris, including the funding of the Secretariat. Then, the total amount of the UfM coming from the European budget was 90 million euros. Apart from the expenses of the daily work of the General Secretariat of the UfM, the allocation of that additional contribution was disbursed as follows: Facility for Euro- Mediterranean Investment and Partnership (FEMIP): 32 million euros; environment and de-pollution of the Mediterranean: 22 million euros; maritime and land highways: 7,5 million euros; alternative energies-Mediterranean solar plan: 5 million euros; higher education and research- Euro-Mediterranean university in Slovenia: 1 million euro.

<sup>59</sup> Determined to boost the specific projects in the Mediterranean region concerning the priority sectors established in the Paris Declaration, in particular in the field of transport and energy, the French diplomacy announced the creation of Inframed on the 26th of May 2010, an investment fund amounting to 385 million euros aiming to finance the projects of the UfM. The Fund would allow raising private capital in order to finance projects in the 43 member States of the UfM. The participants were the French Caisse des dépôts (150 million euros); the Italian Cassa Depositi (150 million euros); the Caisse des dépôts et de gestion du Maroc (20 million euros); the Egyptian EFG Hermes (15 million euros) and the European Investment Bank (50 million euros).

<sup>60</sup> The budget allocation proposed by the Commission for the term 2014-2020 assigns a total of 70.000 million euros for the Chapter of External Action, that at the same time allots 16.100 to the ENPI and 1.400 to the European Instrument for Democracy and Human Rights. Cfr. European Commission. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A budget for Europe 2020. Part II: Index on Policies. COM (2011) 500 final Part II. Brussels, 29-6-2011, p. 50.

higher extent of donor coordination, for regional projects”<sup>61</sup>. The document recognizes potential donors from the private sector, a budgetary raise of the EU; the participation of the Member States and even other countries and international financial institutions and the ENPI and FEMIP.<sup>62</sup>

The Euro-Mediterranean Parliamentary Assembly “has heightened its role as a constituent of the institutional architecture of the UfM. The Assembly is a constituent of the project with the resolution of being the democracy guarantor”.<sup>63</sup> In the wake of this position, the European Parliament has called for assuming higher responsibilities, guided by the tools of consultation and democratic control in association with the delineation of the strategies of action, an execution of the budget, the systematic evaluation of the proposals, and even creating a procedure to enable a “periodic appearance of the General Secretary and also the Deputy General Secretaries before particular commissions.”(Biramabux 2008) Certainly, the above goes with the advancement of the functioning and the work modes of the Euro-Mediterranean Parliamentary Assembly, which includes supplying the required financial and human resources. It also calls for a better coordination between the Euro-Mediterranean Parliamentary Assembly and other UfM institutions<sup>64</sup>, whilst covering the meetings held with Euro-Mediterranean Regional and Local Assembly (ARLEM).

In the five years after its establishment the limitations and deficiencies of the UfM, go forward the before mentioned issues such as the financing and institutional framework. Any references to the democracy and human rights affairs -a matter included by the Barcelona Declaration already were avoided by the initial French project of the Mediterranean Union.

Apart from the objection, that even a formal inclusion of the above subjects in the Barcelona Process did not facilitate denouncement of human right violations and

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<sup>61</sup> Sommet de l’Union pour la Méditerranée. Déclaration commune (Paris, 13 juillet 2008), *loc. cit.*, p. 12.

<sup>62</sup> Sommet de l’Union pour la Méditerranée. Déclaration commune (Paris, 13 juillet 2008), *doc. cit.*, P.12

<sup>63</sup> In this sense, it has to be highlighted that at the sixth plenary session of the Euro-Mediterranean Parliamentary Assembly, held in Amman during the 13th and 14th March 2010, was proposed to renamed it as the Parliamentary Assembly-Union for the Mediterranean (PA-UfM).

<sup>64</sup> Union for the Mediterranean European Parliament resolution of 20 May 2010 on the Union for the Mediterranean (2009/2215 (INI)), OJ C 161E, 31st May 2011.

restricted fundamental freedom in the Southern partners, it is assured that the lack of reference in the UfM documents made it much more essential and relevant as they constitute European and universal values.<sup>65</sup> The pragmatic character of the UfM along with its economist and technocratic element ignored crucial issues (democracy and human rights) of the Euro-Mediterranean acquis. This has elicited some adverse response in civil society sections, which are committed towards traditional values of the EU.

Another issue is the lack of reference in the Paris Declaration pertaining to socio-economic, trade or energy affairs. For instance, reduction of poverty, employment opportunities, energy efficiency and foreign investment, constitute one of the main structural dilemmas in the Mediterranean, especially in the Southern. Also, the lack of a significant reference in the UfM documents is to be stressed more than the repetitive formula of promoting legal migration and the fight against the illegal one. Quite evidently the formation of the UfM cannot be detached from that essential matter, also the significance of the regulation of the migratory flows cannot be overlooked. The free movement between both shores and the integration of migrants should be implemented progressively.

The significance of encouraging sectors concerning research, education, and cultural exchanges cannot be overlooked as they can favour mutual understanding amongst civil society. Therefore, it should adopt a Euro-Mediterranean strategy to enhance inter-religious and inter-cultural dialogue process and new projects should be incorporated to augment these fields within the framework of the UfM.

The project of the UfM has been “kidnapped” by the eternal Arab-Israeli conflict as with the Barcelona process. The destabilising potential of it over the Euro-Mediterranean relations has been reflected, along with EU’s limited capacity of solving the conflict. Although it is well accepted that the UfM is not a peace-negotiating forum, but at the same time it should not be ignored that it is the only framework where all its parts come

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<sup>65</sup> The only exception is a very general reference in the introductory section of the constituent documents (Declaration of Paris and Marseille). The mention to the democratic values and human rights are absent in the main core of both documents.

together apart from the United Nations auspices and it is an opportunity to take advantage of such a position.

Although, other regional conflicts along with the above taking place in the Mediterranean cannot totally paralyse the multilateral cooperation, but due to the lack of mutual trust of the parties, it is more or less obvious that the UfM will be incapable in consolidating it by itself.

Finally, it is stressed here that the process of reform and modernisation taking place in the Southern shore of the Mediterranean will have to unavoidably promote regional integration. “The UfM could play a pivotal role in such a process. The glaring South-South exchange of 6-8 percent (approx.) during the last years reflects an impairment of the interests of the Southern Mediterranean partners themselves”. (Hernandez and Atemir 2014)

Despite the current conflicts and the ultraconservative nationalism “have endangered any progress, the economic and political cost of the non-integration is higher for the population of those countries”, that is why it cannot be dismissed that after the Arab Spring, there will be some forward movement.<sup>66</sup>Taking into account the UfM allows the underscoring of the regional and multilateral dimension of the Euro-Mediterranean relations, which comprises a more apt framework for promoting the sub-regional integration. Although it is to be mentioned that this issue is yet to emerge.

In this process democracy and regional integration should go together as it happened in the early fifties, in Europe. In order to cultivate sub-regional integration as their co-development as well, the Southern Mediterranean countries need the Jean Monnet vision. Perhaps, to overcome the on-going conflicts and to reconsider the future in an optimistic perspective, the reshaping events occurring on the Southern shore could deflect into a more integrated process.

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<sup>66</sup> An example that illustrates that situation of the Arab Maghreb Union (AMU) is its own blockage due to some controversies between its principal members: Morocco and Algeria. In spite of that, the fact that Algeria did not veto the recent appointment of the new General Secretary of the UfM, the Moroccan diplomat Youssef Amrani, could be interpret as a sign of a possible progress in the Maghreb.

The outbreak of the Arab Spring, in any case should be considered an “immense opportunity to re-launch the Euro-Mediterranean relations, with the UfM being the essential framework towards promoting the democratic essence of the region.” Thus, it would be suitable to institute within the UfM a “setup concerned with the economic, political and social transition of the Southern and Eastern Mediterranean countries.”(Khader 2012).



## Chapter 4

### **Democracy, Peace and Stability and EU's Development Assistance in Post Arab Spring North Africa.**

The European Union's origin has a deep value dimension associated with it, making 'values' a distinguishing aspect of its international and domestic image. After World War II, the staunch enemies Germany and France opted to come together in 1950, for the establishment of the 'European Coal and Steel Community. The devastating conflict that was witnessed in the past, made way for an economic cooperation, making war 'not only unthinkable, but also materially unfeasible' amongst European countries (The Schuman Declaration 1950)<sup>67</sup>. As the Organization's scope widened and its limits deepened to evolve into EU, as we now know, the element of values became increasingly significant. "European values of fundamental rights, rule of law and democracy are shared values"<sup>68</sup> and are a significant part of European international engagement and the European identity itself.

The Mediterranean is in turmoil, the outcome of which will likely only become clear decades from now. Solving conflicts and promoting development and human rights in the south is essential to addressing the threat of terrorism, the challenges of demography, migration and climate change, and to seizing the opportunity of shared prosperity<sup>69</sup>

The European Union with its enlargement has come across a new neighbourhood with an exclusive economic, political, societal and cultural environ. Situated in this new milieu, in 1995 the EU began the Barcelona Process to collaborate with the Southern neighbourhood. In order to strengthen the cooperation over economic, political and

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<sup>67</sup> French foreign minister Robert Schuman presented the Schuman Declaration on 9 May 1950. It proposed the creation of a European Coal and Steel Community, whose members would pool coal and steel production. The ECSC (founding members: France, West Germany, Italy, the Netherlands, Belgium and Luxembourg) was the first of a series of supranational European institutions that would ultimately become today's "European Union"

<sup>68</sup> Speech by Commissioner Johannes Hahn - festive speech on the occasion of the award of the Mme de Stael Prize for Cultural Values of ALLEA to Rémi Brague.

<sup>69</sup> Roger Albinyana, Director Of Euro-Mediterranean Policies And Regional Programmes A Global Strategy For The EU Foreign And Security Policy (June 2016)

security domains amongst EU and the twelve countries of Southern Mediterranean, the new Euro-Mediterranean Partnership was launched. Enabling a mutually favourable stability for both the partners was the *raison d'être* of the new model of collaboration. Also, there is a vital value facet to Barcelona Process too. That is, the partners are dedicated to respecting human rights and fundamental principles from the United Nations Charter and Universal Declaration on Human Rights, International law, Rule of law and democracy, combat against terrorism, respecting sovereignty of the States, respect for territorial integrity, peaceful settlement of conflict, principle of non-intervention in internal affairs and, organized crime and drug trafficking, equal rights of people and their right for self-determination and endorsement of regional security<sup>70</sup>. To develop the foundation of future cooperation with a stress upon 'values', the Barcelona Process was officially the foremost outreach towards the 'South'. The EU realized that its neighbourhood has gradually become more diverse with numerous political, economic and security challenges, with the 'Big bang' enlargement of 2004<sup>71</sup>.

In 2004, due to this reason the European Neighbourhood Policy was launched, as the most essential component of the EU Common Foreign and Security Policy. Its purpose was to create an Association Agenda with the partner countries to make certain their commitment towards human rights, democracy, good governance, market economy, rule of law and sustainable development (European External Action Service 2016). It is not that the EU was only intending to accomplish a peaceful environment to foster growth and development. There was also a prominence upon diffusing the Union's values into a broader region, which is dedicated towards pursuing these values for a longer term.

In 2008, the inclusion of the Barcelona Process into the ENP, in the shape of the Union for Mediterranean (UfM), was the second step towards developing an agenda for EU's assistance and engagement in the Mediterranean. It aimed to have a better-focused regional and sub-regional facet of a value-based EU. Although it should be noted that

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<sup>70</sup> Report From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions Strengthening Citizens' Rights in a Union of Democratic Change EU Citizenship Report 2016

<sup>71</sup> When ten former communist countries from Central and Eastern Europe became members of the EU

additional changes were instituted in its framework after the events known as ‘Arab Spring’ in 2011, which significantly modified the Arab and South Mediterranean region. The inability to act promptly in response to these events in a satisfactory way, the EU had to amend its mode of engagement. The EU was incapable in protecting human rights and the values of democracy and good governance, or to secure them for the Southern Mediterranean region in the long run.

### **European Union and Arab Spring**

Arab Spring refers to the wave of civil uprisings against authoritarian regimes in the Middle East, which started in December 2010 in Tunisia. The act of self-immolation by a Tunisian fruit seller Mohammed Buazizi was an ultimate sign of protest against the oppressive regime of Tunisian President Zine El Abdine Ben Ali, who has transformed Tunisia into a police state. This act has set the whole region in motion, mobilizing people in Tunisia, Egypt, Libya, Syria, Yemen, Bahrain, Saudi Arabia and Jordan to rise against their authoritarian leaders. The world was expecting to see Huntington’s fourth wave of democratization. The protesters achieved immediate success taking down dictators that ruled the countries in the region for decades. Arab Spring has thus marked the fall of Ben Ali in Tunisia, Mubarak in Egypt, Gaddafi in Libya, it caused severe clashes of civilians and police in other countries caught by revolution, and it was the beginning of a brutal, still on-going war in Syria. However, after the initial success in taking down authoritarian regimes, the Arab Spring was not followed by the Arab Summer, on the contrary, the power vacuum occurred, leading into the Arab Fall instead. Even though the EU was present in the region through the ENP, the colossal events of the Arab Spring caught the EU off guard (Feldschreiber 2012). Stefan adds that,

We must show humility about the past. Europe was not vocal enough in defending human rights and local democratic forces in the region. Too many of us fell prey to the assumption that authoritarian regime were a guarantee of stability in the region. This was not even Realpolitik. It was, at best, short-termism —and the kind of short-termism that makes the long term ever more difficult to build (Stefan fule)<sup>72</sup>

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<sup>72</sup> Štefan Füle, European Commissioner for Enlargement and Neighbourhood Policy. Speech on the recent events in North Africa in 2011 in front Committee on Foreign Affairs (AFET) at European Parliament.

This speech given by the EU Commissioner for Enlargement and Neighbourhood Policy is the best reflection of the-

Effects of the EU's approach to the region prior to the revolutionary events. In spite of being formally committed to promotion of democracy, human rights and shared values in the region, based on the Association Agreements, the EU saw the authoritarian regimes of the Middle East as guarantees of stability and security, bringing its normative foreign policy orientation into question (Peters 2012).

The Arab Spring revealed “the gap between the creation of broad frameworks and plentiful initiatives and their non-implementation”, incentivizing the EU to revise its approach to the southern neighbourhood” (Balfour 2012). Arab Spring-induced changes have deeply impacted the regional balance of power and challenged the regional order. They shook up alliances as well as decade-long enmities, limited the rulers' room for manoeuvre on foreign policy issues, and led to armed struggle and civil war – with international military intervention in Libya and a proxy war in Syria. Syria's internal war led to the spill over effect in the immediate neighbourhood of the Maghreb, this gave rise to refugee problem and security problems, which later on engulfed the whole European Union in it. This war in Syria exposed the lack of any regional security apparatus, which can control such wars and also the utter negligence in the part of International community to control the strife before it went out of hand.

Arab spring, had confused the European officials earlier and they didn't understand how to react but as the time passed on they embraced and understood the Arab spring as a welcome change. They took measures too to facilitate a smooth transition. Although quite late they interpreted the wave of protests and change as an opportunity for the liberalisation of the current political and economic systems, and thus welcomed an ensuing period of long-term stabilisation. However, They also saw them as a chance for the rejuvenating the relations between the EU and its Arab cousins (due to their proximity with the Maghreb countries geographically), which ultimately was a step to safeguard their own European geostrategic interests in the region; this new arrangement also meant a steady flow of energy at reasonable prices, the expansion of markets for European goods, a cooperative fight against terrorism and organised crime and finally the

prevention of illegal migration to the European continent, which has become a bone of contention among the member states.

### **Open-ended Transformation Processes**

After long-established leaders were shown the door by popular uprising in Tunisia, Egypt and Libya in early to mid-2011, these countries embarked on a journey of transitions. For the first time in decades they saw relatively free and fair elections. The Muslim Brotherhood and its affiliates, which had been suppressed under the past governments although to varying degrees particularly benefitted from the new political freedoms and showed their public support strongly in the first democratic elections. It is interesting to see that in “no country, the Muslim brotherhood, achieved a majority of seats; in Libya they did not even emerge as a strong party “(Al-alnani 2012). This forced them to rule in coalitions in Tunisia or to navigate their way in a challenging political environment, in which they had to contend not only with the more or less secular forces but also with newly formed Salafist parties<sup>73</sup>, as well as the remnants of the old regimes and the pervasive ‘deep state’<sup>74</sup>. In Yemen, after the resignation of the ruling President Ali Abdullah Saleh, a caretaker government comprising the former ruling party devoid of its old leadership and, oddly enough, main opposition parties was formed for a two-year transition period.<sup>75</sup>

In Libya, we see that the transitional government has been ineffective in containing the situation and bridge the divide that exists between the parties, which support reformation, and tradition. The procedure through which a new constitution was to be framed has suffered for long as there is no consensus as to the constituent assembly and who shall be

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<sup>73</sup> The Salafist doctrine is centered around the concept of looking back to a prior historical period in an effort to understand how the contemporary world should be ordered. They reject religious innovation or *bid'ah*, and support the implementation of *sharia* (Islamic law). The movement is often divided into three categories: the largest group are the purists (or quietists), who avoid politics; the second largest group are the activists, who get involved in politics; the third group are the jihadists, who form a minority. In legal matters, Salafis are divided between those who, in the name of independent legal judgement (*ijtihad*), reject strict adherence (*taqlid*) to the four Sunni schools of law (*madhahib*), and others who remain faithful to these.

<sup>74</sup> A body of people, typically influential members of government agencies or the military, believed to be involved in the secret manipulation or control of government policy.

<sup>75</sup> MERIP, Egypt. The Uprising Two Years On.

the part of it. Thus, we see that the transition is taking much longer than earlier envisaged by the National Transitional Council in August 2011<sup>76</sup>. In Egypt and Tunisia, the political debate had centered around the point that how this new post authoritarian government would see the role of Islam, political powers and the separation of powers between the parliament military and the president The inability of rival forces to reach consensus – best exemplified by the rushed constitutional process and late 2012 “referendum in Egypt<sup>77</sup> – has led to strong political and societal polarisation and, through the resort to street politics, to serious destabilisation, bringing the countries to the brink of virtual collapse and of non-governability.”(Geges 2014)

Political instability has been subsequently followed by economic crisis. We know that in the long term there is a good chance that the governments, which are accountable for its decisions, will have more responsive attitude towards the demands of people (Geges 2014). This will also be an indication that a proper socio economic reform will be brought which will not only boost the economic growth but also create jobs. In the short term however if we look at the work of the transitional government it cannot take such tough decisions, which can bring the economy back on track, as they will most probably lose elections, the question of corruption and diminishing the spending on the public sector, remains the key issues.<sup>78</sup> Looking closely we see that political instability has definitely had a ‘detrimental effect on the transformation countries’ economies, bringing about negative growth rates, a sharp reduction in tourism and foreign direct investment, and deteriorating fiscal accounts and foreign reserves.<sup>79</sup> This also means that there is a potential of further political instability, as the socio-economic conditions that had, amongst other factors, motivated the popular revolts in the first place, we see that they have deteriorated further rather than improved since the popular movements; high

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<sup>76</sup> Also Known as the Transitional National Council, was the *de facto* government of Libya for a period during and after the Libyan Civil War, in which rebel forces overthrew the Libyan Arab Jamahiriya of Muammar Gaddafi. The NTC governed Libya for a period of ten months after the end of the war, holding elections to a General National Congress on 7 July 2012, and handing power to the newly elected assembly on 8 August

<sup>77</sup> A constitutional referendum was held in Egypt in two rounds on 15 and 22 December 2012

<sup>78</sup> The Arab Spring and the European Response - [PDF Document]. <https://vdocuments.site/documents/the-arab-spring-and-the-european-response.html>

<sup>79</sup> Libya, where growth has picked up quickly after a sharp downturn in 2011, has been the notable exception. See Masetti et al., Two Years of Arab Spring.

unemployment (especially among the youth), increasing disparities in the social and economic field, and the lack of prospects and a decent living.

The regional politics of the area has also changed with the three Iran non-Arab states Iran, Turkey and Israel, having been strongly affected by the Arab spring. The relations between the three has further deteriorated Iran and Israel being on the verge of a war which saw its own revolutionary path vindicated by the events in North Africa, Bahrain and Yemen – interpreted as an ‘Islamic Awakening’ – has denounced the uprising in Syria as Western and/or jihadi driven.<sup>80</sup>Iran however is trying to forge a new relationship with Egypt which it had a hostile relationship with since 1979, the new regime however is the chance of Iran to finally have some ties with an important player in the MENA region. Israel’s position in the area has been hampered a lot with no apparent allies. Israel lost the only strategic alliance it had in the region, Turkey, over the 2008-09 Gaza war, the May 2010 ‘flotilla affair’<sup>81</sup> and the conflict over exclusive economic zones in the Eastern Mediterranean basin. The Arab Spring has increased Israel’s isolation even further.

## **The European Response**

Arab protesters’ demands met with strong empathy in the European media, public and – after a rather short period of confusion<sup>82</sup>– also in Europe’s political class. This was chiefly the case because the protesters’ calls were interpreted as an affirmation of values dear to Europeans: freedom, democracy, pluralism, rule of law, good governance, etc. Against this backdrop, Europe’s political elite distanced itself from its hitherto largely

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<sup>80</sup> Posch, “Arab Spring and the Islamic Republic”.

<sup>81</sup> The Gaza flotilla raid was a military operation by Israel against six civilian ships of the "Gaza Freedom Flotilla" on 31 May 2010 in international waters in the Mediterranean Sea. Nine activists were killed on one ship during the raid and ten Israeli soldiers were wounded, one seriously. One Turkish activist died later of his wounds. Three of the six flotilla ships, organized by the Free Gaza Movement and the Turkish Foundation for Human Rights and Freedoms and Humanitarian Relief (IHH), were carrying humanitarian aid and construction materials, with the intention of breaking the Israeli blockade of the Gaza Strip.

<sup>82</sup> Remember, for example, then French Foreign Minister Michèle Alliot-Marie’s offer to send French security forces to help Tunisia’s Zine El Abidine Ben Ali to quell the protests and restore order in January 2011

unconditioned cooperation with authoritarian Arab rulers and embraced change.<sup>83</sup> European policymakers saw the Arab Spring as “an opportunity for pushing forward a long-sought transformation of political systems and economies in Europe’s Southern Neighbourhood so as to achieve sustainable stabilisation as well as a strengthening of Euro-Arab relations”(Posch 2012).

To put this into practice, Europeans have been focusing “their support on the Southern and Eastern Mediterranean, overviewing and building on pre-existing formats of cooperation, such as the Euro-Mediterranean Partnership (EMP), the European Neighbourhood Policy (ENP) and the Union for the Mediterranean (UfM).”<sup>84</sup> Thus, they have had the advantage of not having any framework of cooperation in place and to start from scratch, they have also inherited those ‘old frameworks’ weaknesses and given little attention to the spring’s Arab dimension, that is, the interconnectedness of developments across the Arab world.

Also, Europeans have been readjusting rather than drastically revising their policies. This is especially true for ENP, which was being revised before the Arab Spring even started. While the revision of ENP did try to accommodate the Arab spring by putting some wording and mentioning,<sup>85</sup> it didn’t not provide any clue whatsoever as to how to deal with the situation. What the revision also lacked was a critical review of why earlier European approaches to supporting transformation did not see success (for example, the lack of effective incentives to push reform in resource rich or geopolitically critical countries) and the devising of strategies to effectively overcome the most crucial obstacles to democratic transition in the Southern neighbourhood, which included regional conflicts and specific challenges to the onset of democracy and stability such as fragmented societies and market economies which is basically feudal.

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<sup>83</sup> This has not meant, however, that Europeans have sided with protest movements and positioned themselves against authoritarian rulers across the region. While Europeans took a strong stance against the Qadhafi regime in Libya, they have kept on cooperating with monarchies in Morocco, Jordan and the Gulf. They have also largely ignored the violent repression of the protest movement in Bahrain.

<sup>84</sup> See European Commission/High Representative, Partnership for Democracy and Shared Prosperity.

<sup>85</sup> European Commission/High Representative, A New Response to a Changing Neighbourhood. For one of many critical assessments, see Colombo and Tocci, “EU Response to the Arab uprising”.



Europeans have always considered socio-economic stabilisation key for democratisation. The EU's High Representative, Catherine Ashton, thus announced European support in the form of '3 M's', that is the Money, Market access and Mobility, using the traditional tools available. The EU quickly established several task forces, nominated a special envoy and kicked off the so-called SPRING<sup>86</sup> programme (Support to Partnership, Reform and Inclusive Growth), committing some Euro 350 million in 2011/12. It was supposed to cushion the socio-economic transitions in the transformation countries and thus support the popular movement in these countries of southern and eastern Mediterranean. European union also increased the funds moderately to help this transition by committing around 1.24 billion Euro to the funds already earmarked for that period.<sup>87</sup> In addition, European Bank of Reconstruction and Development (EBRD)<sup>88</sup> enlarged its area of operation to the transitory states in the Mediterranean and increased the European Investment Bank (EIB)'s capacity to the lend to the region by Euro 1 billion until 2013. Lastly, the EU started renegotiations with Tunisia, Morocco, Jordan and Egypt on so-called Deep and Comprehensive Free Trade Agreements (DCFTAs)<sup>89</sup> to replace the current Association Agreements.

The European endeavour to support these countries is being faced with many challenges also. Europe tends to forget the most important feature of the Arab Spring for many is the fact that they have newly found freedom. This freedom also brings with itself the perceived and real freedom from the dominance of colonialism and neo colonialism of Europe in these areas. One major factor that differentiates the transformation witnessed in 1980 and 1990 in comparison to the one in the Mediterranean is that, for Arabs, the

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<sup>86</sup> European Commission. Support for Partnership, Reforms and Inclusive Growth (SPRING) 2011–2012 in Favor of the Southern Neighbourhood Region to be Financed under Article 19080101 of the General Budget of the European Union, C (2011) 6828, Brussels.

<sup>87</sup> It should be noted that these funds are made available to the whole neighbourhood area, comprising not only Mediterranean but also Eastern European countries (Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine and, in principle, Belarus).

<sup>88</sup> The European Bank for Reconstruction and Development (EBRD) is a bank that was established in 1991 to aide ex-Soviet and Eastern European countries transitioning into democracies by developing free market economies. Today, the EBRD continues its work in 27 countries from central Europe to central Asia, investing mainly in private banks and businesses including both new ventures and existing companies.

<sup>89</sup> The French acronym 'DCFTA' signifies 'Deep and Comprehensive Free Trade Agreement'. It is an EU-Tunisia agreement project to enlarge and consolidate their economic cooperation. The DCFTA concretizes a major objective of Privileged Partnership obtained by Tunisia in November 2012 and constitutes an INSTRUMENT for integrating the Tunisian economy within the EU domestic market.

ouster of decades-old dictators did not go hand-in-hand with ‘a return to Europe’. This means that the institutions and models of Europe are not as widely accepted by the Arabs as redemption, which was the case with the central European Countries. The Arab societies, while seeking European support, did not want the EU or its member states (nor the US) that their ideas and whims be thrown upon them. It also means that new Arab governments have actively started to diversify their foreign relations – and above all economic relations so that the European influence in their respective countries could be decreased.

Egypt has been the most visible of the countries that want the European meddling in the area to be at a minimum. They also refused the European help in security sector reforms when offered assistance.<sup>90</sup> European offers for the “monitoring of elections in 2011-2012 was rejected and the civil society has also been unable to support it due to the campaign against ‘foreign agendas’ in Egypt,” targeting “foreign organisations working in the field of democracy promotion”(Colombo and Tocci 2012). This campaign although is a brainchild of the remnants of the old regime, usually played out in the courts, but it has garnered wide support in the public distrustful of European and US intentions.

Second, European efforts at providing stability to the transformation countries have been hampered by long drawn processes of establishing legitimate governments with a mandate to conduct negotiations and enter into agreements. Thus, even though Europeans were willing to commit substantial funds and open the door for even more massive soft loans. Egypt was not able to have a

stabilising impact in the early phase of transition thus preventing the country from nearing the verge of financial bankruptcy was inevitable. Egyptian interim authorities were not willing to engage in any sort of negotiations and enter into long-term commitments(Colombo and Tocci 2012).

After a lot of negotiations it was in November 2012 roughly one and a half years after the

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<sup>90</sup>Hinnebusch, R. (2003) *The International Politics of the Middle East* (Manchester: Manchester University Press).

start of the transition, the first EU–Egypt Task Force<sup>91</sup> Meeting took place and paved the way for substantial European support. In the case of Libya too, the weakness of decision-making on the Libyan transitional government side and the nature of the governments preceding the current one, made it difficult for the EU to cooperate effectively, with the EU thus playing only a marginal role in the country’s transformation so far.

The time frame of the EU response as also has been delayed due to the infighting amongst the EU member states. The European Endowment for Democracy (EED)<sup>92</sup>, which was supposed to serve as a more flexible and bureaucratic tool which was supposed to start work in 2011 have started work very late.

In addition and more importantly, new/old threat perceptions have started, rather quickly, to dominate the debates in Europe. Rapidly rising numbers of refugees making their way across the Mediterranean to Southern Europe at the beginning of the Tunisian and Libyan revolts; the electoral successes of forces of political Islam across the region; and the armed confrontations and power struggles in Libya and Syria have led to concerns about the negative implications for European geostrategic interests. These threat perceptions have negatively impacted concrete European policies, and have undermined the ambition to support transformation effectively.

As a consequence, and against the backdrop of the financial and debt crisis in the Eurozone, EU member states have shown great reluctance to give substance to Ashton’s ‘3 Ms’ (Bicchi 2010). Above all, the Eurozone crisis has reinforced tendencies of protectionism and the walling-off of European member states against their southern neighbours. The appeal for a Marshall Plan for the region such as the one advocated by

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<sup>91</sup> The largest-ever meeting between the European Union and Egypt took place 13-14 November, co-chaired by the EU High Representative Catherine Ashton and Egyptian Foreign Minister Kamel Amr, as agreed with President Morsi on his visit to Brussels. The Task Force was a new form of European diplomacy, to enhance the EU’s engagement with countries in transition through the mobilization of all EU assets and working with both public and private sectors.

<sup>92</sup> Established as an EU policy objective in 2011 it began operations in 2013 it aims to “support political and civic actors striving for democratic change in the European Neighbourhood. Its has been describd as a “joint effort of the Member States and European Union Institution,” but claims to remain “an independent private law foundation with its seat in Brussels.” EED, however, is financed entirely by the EU and EU member states.

the former Italian Foreign Minister, Franco Frattini, quickly disappeared as the crisis hit the Eurozone. The EU's southern member states, which have been hit the hardest by the crisis, have had to drastically reduce their bilateral commitments in the region. This entailed a shift in priorities, too, with a renewed focus on vital interests and traditional partners rather than support for transformation and the "deep democracy" envisioned in the EU documents. While Europeans started renegotiation talks about entering into so-called mobility partnerships with Tunisia and Morocco, these partnerships have not yet materialized, regular migration from the region has increased, and thus the stabilising effect envisioned was not to be seen. In any case, the conclusion of mobility partnerships would have been a rather limited developmental effect, as they are mainly about the management of mobility rather than a substantial increase in mobility from south to north. By contrast, Europeans were quick to stem the influx of irregular migrants, a consequence mainly of regime breakdown in Libya, strengthening border controls, enhancing Frontex, the European border agency, and quickly renegotiating agreements with the authorities in Benghazi to help fend off migration from and via Libya. Market access: While some additional exports have been allowed in the Eurozone from the region, easier access for agricultural goods, in particular, has met with stiff objection from the EU's southern member states as it would rival their own production. It has also been hampered by high European norms and standards.

In those cases in which protests led to armed confrontations, the EU as a whole played even less of a role, and proved unable to contribute to effective conflict prevention. That does not mean that Europeans are wary of war but that they could not reach consensus when it came to the question of intervening militarily on the side of protest movements or supporting them with weapons. While some of its member states (the United Kingdom and France) initiated and took part in the military intervention in Libya on the side of the rebels, Europeans did not agree on the intervention if we see the split European vote in the Security Council on Libya in March 2011 with Germany abstaining<sup>93</sup>. And while Europeans did actively engaged in diplomacy with regard to Syria, they did not seem to

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<sup>93</sup> Chancellor Angela Merkel and her foreign minister, Guido Westerwelle, decided that Germany should side with China and Russia. These three members of the UN security council abstained from Thursday's vote on a resolution to impose a no-fly zone over Libya, along with Brazil and India

help contain the crisis, preventing it from degenerating into civil war. Actually, some leaders of European countries (France in particular), as well as other countries, including Turkey and the Arab Gulf states had at times nurtured hopes among Syrians that they would establish no-fly or safe zones to protect the population from the regime's onslaught, thus perhaps actually encouraging the rebels. Europeans were also not very keen to deploy a EU mission to train and strengthen Mali's military in the face of extremist groups taking over large swathes of the country's north in the course of 2012. It was only after the French military intervention in early 2013 that they did accelerate the establishment of the EU mission.

Last but not least, European support for the Arab peoples' quest for freedom and self-determination was in stark contrast to European (and US) attempts to dissuade the Palestinians from presenting their initiative for full UN membership to the Security Council in 2011 and their initiative for 'non-member observer status' to the General Assembly in 2012. These attempts were even out of sync with the agreed European approach towards the Arab-Israeli conflict.<sup>94</sup> Still, the Europeans tried to block the Palestinian initiative rather than use the opportunity to turn it into a constructive step towards conflict settlement. They have clung to the idea that any solution in the Middle East should be the outcome of direct bilateral negotiations between the parties to the conflict. With this, they also signalled to the Palestinians that peaceful and legal means to achieve Palestinian rights under international law were blocked.

An aspect often overlooked is that protracted conflict on the Israeli-Palestinian track will have negative repercussions for transformation in Arab countries, above all in those states neighbouring Israel. The persistence of conflict, "all the more so should it turn violent once again, will be accompanied by all those elements that make the consolidation of more open and participatory political systems in Israel's neighbourhood less likely"(Posch 2012). Oversized armies and an "allocation of resources that favours

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<sup>94</sup> Europeans have held that the conflict should be settled through a two-state arrangement for its Israeli-Palestinian dimension, complemented by peace agreements between Israel and its Arab neighbours (Syria and Lebanon) on the principle of land for peace as well as peaceful, neighbourly relations between Israel and the wider Arab and Muslim world – as spelled out in the Arab Peace Initiative.

military and defence over human development, a dissent-intolerant atmosphere, an unfavourable” investment climate, a strengthening of radical forces and non-state armed groups, on the one hand, and the-

further weakening of states and the Palestinian Authority, on the other. It will also negatively impact on Europe’s relations with states and peoples in the region as long as Europeans do not follow up their stances with concrete and credible engagement in conflict settlement. (EPR 2012)

### **What is Democracy Assistance?**

The term democracy assistance is used in academic literature, as well as in the programmes of the US and the EU, without proper clarifications. This section will therefore try to outline the each organisations comprehension of the term and the definition and the presence of very less academic literature on it. On the basis pf the available literature given by both the organisations this section will develop a definition of the term democracy assistance, which then will be followed by an explanation of the framework on which this conception works,

The EU and US have quite similar concepts of DA. USAID defines it as technical assistance and other support to strengthen capacity of reform-minded governments, nongovernmental actors, and/or citizens in order to develop and support democratic states and institutions that are responsive and accountable to citizens. These efforts also include promoting democratic transitions in countries that are not reform minded. Democracy programs promote the rule of law and human rights, transparent and fair elections coupled with a competitive political process, a free and independent media, stronger civil society and greater citizen participation in government, and governance structures that are efficient, responsive, and accountable.<sup>95</sup> (USAID, 2005)

Similarly, the EU specifies the following categories of DA:

These can include questions of democratic participation (including universal suffrage, free election, multiparty structure, equality of access to political activity, participatory decision making); human rights (including adherence to, and implementation of, commitments under international human rights Treaties and

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<sup>95</sup> US Department of State (2005) FY 2004-2005 Human Rights and Democracy Fund Projects, Available at <http://www.state.gov/g/drl/rls/50318.htm> (accessed 15 June 2006).

Conventions, protection of civil liberties, including freedom of speech and of assembly, effective operation of human rights monitoring); and the rule of law (including an independent and effective judiciary, transparent legal framework, equality of all citizens before the law, police and public administration subject to the law, enforcement of contractual obligations)<sup>96</sup>. “(EC 2003)

## **EU Democracy Promotion**

The Union and its Member States shall define and implement a common foreign and security policy, to safeguard the common values, fundamental interests and independence of the Union, to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms”(CEC, 992)<sup>97</sup>

The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.(European Commission 2007, 23)

The Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterized by close and peaceful relations based on cooperation.(European Commission 2007)

The Lisbon Treaty points out democracy as one of the guiding principles of EU’s foreign policy. Coming from that, democracy promotion is an important aspect and a force of EU’s international engagement. Moreover, since

a lack of democracy in some countries creates serious problems for the EU, especially for security matters, with regards to failed states, refugees, migration, terrorism and weapons of mass destruction (Elmar Brook 2007)”<sup>98</sup>.

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<sup>96</sup> European Commission (2003) Communication from the Commission to the Council and the European Parliament. Reinvigorating EU actions on Human Rights and Democratisation with Mediterranean Partners, Available at [http://europa.eu.int/comm/europeaid/projects/eidhr/documents\\_en.htm#communications](http://europa.eu.int/comm/europeaid/projects/eidhr/documents_en.htm#communications) (accessed 6 May 2018).

<sup>97</sup> Council of the European Communities, Commission of the European Communities 1992

<sup>98</sup> Elmar Brook, “Introductory remarks: The European Union and democracy promotion” in *Worldwide promotion of democracy: challenges, role and strategy of the European Union*, Proceedings of a conference organized by the European Office of the Konrad- Adenauer-Stiftung, Brussels 5-6 June, 2007

It has become one of the key aspects of ENP, with an aim to create stable and prosperous neighbourhood.

## **Conclusion**

The trigger for more structured and proactive EU democracy promotion strategy in the MENA was the 9/11 terrorist attacks, which shed light on the major security threat rising in the EU's close neighbourhood. The idea was to form a new model based on the success stories of political reform and enlargement in Central and Eastern Europe. This model of democracy promotion was established within the newly launched ENP in 2004. However, this scaled-down version of enlargement, "taking refuge in NGO support, women's rights and human rights legislation and avoiding to tackle any controversial aspects of non-democratic Arab regimes, was not enough to initiate any kind of serious democratic wave of change" (Young's 2006). On the other hand, with the evolution of ENP, the EU has developed the "external governance framework, which enables support to democratic reform through the extension of EU rules and legislations by developing diverse policy commitments and instruments "(Youngs 2006). Coming from this, "some more technical EU governance norms have been adopted by Arab states. However, 'this is not enough to constitute effective democracy promotion, in fact, it is doubtful that European governments have actually wanted to see systemic democratic change in Arab countries, for a range of geopolitical reasons". (Youngs 2006)

Instead of pursuing its own interests "economic development and increased security primarily in the region under the agenda of democracy promotion, and expecting the democratization to come on its own, the functioning state and the rule of law should already be in place as the basis of democratization process "(Pace 2008). Michelle Pace has emphasized in her work that due to the lack of coherence "EU is imitating itself in a policy area where it could potentially have normative impact" (Pace 2008).

While focusing on democracy promotion on Lebanon, Peter Seeberg in his work on Lebanon, critiques EU" democracy promotion as primarily realist, vague and inconsistent" (Seeberg 2009). The author points out that "the EU is neglecting



determining factor of the Lebanese political situation like the role of Hezbollah – a strong force of political Islam and a ‘resistance’ movement at the same time, forming a ‘dual power’ situation and the specificities of Lebanese consociation democracy – based on sectarian divisions and highly vulnerable to influences of Iran, Syria and other regional powers”(Seeberg 2009). In conclusion, based on the analysis of EU- Lebanon action plan and the power interplay in the country, “the EU policy on Lebanon is launched in the Action Plan as a normative enterprise; however, the EU is acting as a realist actor in normative clothes” (Seeberg 2009). Lastly, one additional, overarching characteristic of EU democracy promotion is pointed out by scholars in democracy promotion field, and that is ‘time-consistency problem: democratization – and, thus, democracy promotion – is a middle- to long-term endeavour, and (potential) rewards do not come quickly.

## **CHAPTER 5**

### **Conclusion**

The nature and scope of the foreign aid changed in different period of history, but if we study it through the prism of theories of development a clear picture emerges. It is almost evident in the discussion in this dissertation that developed world are the main donors and developing or the under developing nations are the major recipient of the foreign aid. There are some exceptions in the recent time where developing countries like India and China are also providing aid. In this India's aid to Afghanistan and China's assistance to African countries are worth notable, However, the developed countries/regions are the biggest donors. There are several international organizations, which too provide aid to the poor nations, but even these organizations are controlled by the developed nations either directly or by their majority representation in the governing bodies of these organizations. The nature of foreign aid is determined by the theoretical understanding of 'under development' or the definition of development of the donor country as discussed in the chapters in the dissertation. In the above discussion, it is more or less manifested that western countries view local problems as the main reason for underdevelopment modernization approach. Thus, development assistance has conditions attached except in the case of humanitarian aid. These conditions refer to the approach of donor in the theoretical framework applied for the development assistance.

The nature and conditions for development assistance is directly proportional to changes in international relations. Hence, it will be asked whether development assistance is helpful in bringing desired changes, or it just a tool what realist school of thought says, 'promotion of interest'. Even the critical theorists consider development assistance as a tool to maintain 'core-periphery' relation. Agreement or disagreement with any school of thought will depend on the analysis of a case study. In this respect theory of development, both modernization and dependency can be tested in this study of 'development policy of the EU in South Asia'.

In the contemporary time development and approach towards it is in the helm of debate

in the international relations. The pessimist part of this debate is that aid as a tool to development has largely been ignored. Foreign aid in the era of globalization is been looked down in favour of economic reforms and interlinking of markets of different nation. It is believed that 'invisible hands' of liberal economy will itself lead to prosperity of all. This is also the reason why substantial attention is not given to the study of politics of foreign aid in the post cold war era.

In this dissertation, we have dealt with the political as well social aspect of foreign aid. European Union, which is a regional organization and one of the largest contributors ODA, is one of the most important for any study on aid. EU has ambitious plans that are not only of expanding its border but also to play a role of big power in the international relations. The development policy of the EU seen as a means to establish direct link with the developing countries. In the recent past, we have also witnessed that EU is playing a strategic role in several world problems related with the developing countries through the process of Development aid and other interventions both politically and militarily.

Although the revolutions in North Africa caught Europeans at a moment of crisis, they managed an initial response albeit late, they got themselves smartly on “the right side of history”, were largely forgiven their past complicity with the old autocrats, and, led by Brussels, converged on a common policy. In hindsight, we see there is less cause for satisfaction. In North Africa itself, Arab springs sweeping tide of democratic change has given way to confusion in EU. The EUs response through the ENP as the main vehicle seemed mostly like a step taken as a ‘waiting game’ except if we consider the military intervention in Libya.

The consolidation of Democracy and democratic reform is mostly in favour of Europe’s interest. If there are more open and dynamic democratic societies takes place in the Maghreb. The region, which has been a threat, will become a new economic and strategic opening. It will also be able to tackle the perennial problem of migration and radicalism. This will also enable the EU a regional partner in solving the problems and also influence its own policies in the Middle East. A good relationship with the Maghreb means that

European Union will be able to garner support and will be able to build a much healthier relationship with the Islamic countries through their intervention. More immediate outcomes could also be gained but for that to work the entire member states should work together as one to bring this to fruition.

If Europe had failed to come up with a more developed and more substantives strategy, which was also genuinely collective, there could have been mutual fallout across Mediterranean. There was a risk that there would be reversion of policy which would lead to the older habits of Brussels of ‘preaching’ about human rights. The member states would have only thought about themselves and would have looked for their small term gains rather than combating the situation. In this hypocrisy and confusing the Maghreb would have exploited this time. The European union would have lost the influence it had in the region. Thus it was imperative that the European Union to respond at the correct time.

At the time of Arab spring in 2011 the democratic wave, which was sweeping Maghreb looked unstoppable. The Syrian revolution has already begun to become a bloody civil war. In Egypt, “the maneuvers of the “interim” military rulers had underlined that decapitation of an autocratic regime may be only the first step in eradicating it”. When it came to Libya it was observed that although there were countrywide elections to a new national assembly power continued to reside with the armed regional militias. Tunisia where the democratic transition was the smoothest there was a wave of polarization and disillusion which took over the national unity and euphoria that was prevalent earlier. The expectations after post revolutionary changes such as the achievement of political consensus; creation of jobs and growth and restoring law and order is such an arduous task. European too found themselves shocked however they recovered fairly quickly and that showed in their foreign policies.

The initial uprisings were a profound shock not only for their unexpectedness, but for how they destroyed the Faustian pact which had long been the real basis of European policy across the Mediterranean,. Foreign policies earlier were mostly hand in hand with

the autocracies, in “exchange for their cooperation in keeping their teeming populations and disturbing religion at arm’s length”. However the result had been a curiously insubstantial trans-Mediterranean relationship; even counting major imports of oil and gas from Libya and Algeria, the North African states between them have accounted for less than 4 per cent of the EU’s external trade. With the exceptions of Italy, France and Spain, few European states have had any significant relations with North Africa in recent times: Europe has literally overlooked the region, focusing beyond to the wider Middle East and sub-Saharan Africa.

Suddenly, then, there was a policy void on Europe’s doorstep, which no individual member state was anxious to fill. So Brussels stepped in and came up with a policy framework upon which the member states could converge. The key elements were summed up in the “slogans ‘more for more’ the principle that, in future and in contrast with the sham ‘conditionality’ of the past, European support would depend upon genuine democratic progress and the ‘3Ms’ of money, markets and mobility” (Witney and Dworkin 2012). – the three main ways in which, it was proposed, Europe could offer a helping hand. With some active individual diplomacy (Catherine Ashton, Štefan Füle, Bernardino León), authorities across North Africa seem to have been persuaded both of the EU’s good intentions, and of its potential value as an external validator of their reforming efforts.

Yet, just as revolutionary optimism across the Mediterranean faded, so in Europe the initial impulse to support the brave revolutionaries had been tempered by other concerns. It did not help that the victors in the new elections across North Africa have tended to be not the attractive young secular liberals who led the demonstrations, but men with fundamentalist views. And Europeans have been increasingly preoccupied with their own deepening economic problems: youth unemployment in Tunisia touched at 30 percent but it was at 50 percent in Spain. Initial talk about the need for a European ‘Marshall Plan’ for North Africa was always wishful thinking: but the extra money that Europeans have in practice been willing to commit, in single figures of billions, constituted welcome but marginal help to struggling North African economies. Europe’s governments aren’t

disposed to open the door so that North African immigrants, or fruit and vegetables, can come and ‘steal European jobs’. The 3Ms, in short, has in short started to look more promise than delivery.

Brussels has failed to implement its dictates to its member states also. The mood in the capitals of Europe’s “Mediterranean states, and readiness to follow a Brussels lead, is also decreasing. The “big three” – Italy, France and Spain – had substantial national interests at stake, in trade, investment and energy links. They hosted the biggest North African immigrant communities and worried about radicalisation and terrorism. And they drew on assets – ties of history, culture and language, and military links” (Witney and Dworkin 2012).). They could put the brake on any EU aspiration to allow greater access to Europe, whether for North African people or goods.

France’s role in particular was pivotal. Its bilateral aid exceeded anything on offer under the ENP. Its investment in Morocco is double that of other Europeans combined. It led the Libyan intervention; it also worked to achieve reconciliation with Algeria. And it was deeply concerned with instability in the Sahel – tempting it, especially in the absence of effective action from Brussels, to pursue its own policy.

Europe therefore urgently needed to raise its game – not just because it was the right thing to do, but because it was profoundly in Europe’s long-term interest, both economic and strategic, to see the “Arab Spring” succeed. Money was tight, and people suffered from recession. But there was a range of things which Europeans, severally and collectively, did significantly better – many of them turning on a recognition that the ENP is not the only, or even the most important thing in its association with North Africa. Brussels’s response to the Arab uprisings has been framed by the ENP – a set of policy approaches and techniques applied to the 16 countries that surround the EU, from Belarus in an and through Azerbaijan and Jordan to Morocco in the west. A key part of the first EU response to the Arab uprisings was to boost the ENP budget for 2011–2013 from €5.7 billion to €6.9 billion. The policy was conceived in the context of the union’s great enlargement of 2004, and aimed to achieve gradual but wholesale transformation of the

countries to which it is applied – embedding not just democracy but the whole European way of doing things (including over time the full EU domain of law and regulation). For a “European” neighbour such as Ukraine, which might one day aspire to membership of the EU, it made sense. For the countries of North Africa, which see themselves as part of the wider Arab, Muslim and African worlds rather than as Europe’s periphery, it did not.

In consequence, “Brussels operated a policy that grinded too slow and too small. It had embarked on a technocratic programme, rather than responding to a political earthquake with big strategic opportunities at stake” (Witney and Dworkin 2012). Thus, preoccupation with how to fine-tune levels of financial assistance in light of progress with detailed “action plans” for reform crowds out the big issues such as how to make use of Egypt’s need for macroeconomic assistance to influence the country’s political development, or whether Morocco was really moving towards democracy at all. “Deep and Comprehensive” free trade arrangements were proposed, as though the countries of North Africa need an arduous, protracted economic makeover to fit them for eventual entry to the EU’s single market rather than urgent, near-term improvements to their ability to export to the EU. And, because the ENP saw each of the neighbours as an individual “client”, the policy fell short of the vital need to foster intra-regional cooperation.

The ENP was the European Commission’s instrument and therefore focused on the Commission’s, essentially economic, tools. It thus undervalued the ways in which Europe could lend diplomatic, “political and security support to the “Arab Spring” in North Africa ways that would also have been more effective in embedding European influence, and promoting regional integration.”(Witney and Dworkin 2012) One of the most encouraging developments to date in post-uprisings North Africa was the upsurge in efforts at bilateral and regional diplomacy although much of it was driven by local security concerns. Fall-out from Libya had destabilised the region, and encouraged the southern states to talk about security cooperation including with some of the EU’s member states. Yet Europe’s Common Security and Defence Policy remained largely unused. Brussels, of course, had few of its own diplomatic, political or security resources

and therefore needed to co-opt the member states.

Europe would have looked beyond its internal preoccupations, wake up to the historic, but fragile, opportunity to shape a North Africa more aligned to European values and interests, and put together an altogether more generous and ambitious response to the revolutions in North Africa.

Autocrats prefer closed societies and over the years Brussels has indulged them by treating North African states as individual clients. The countries of the region have been largely insulated from each other, with minimal mutual trade or other exchange. Yet intra-regional interaction is a key to growth, and to both economic and political democratisation. Shared security concerns are already producing new regional dialogues.



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