

***EVOLUTION, CHALLENGES AND PROSPECTS OF THE ARAB MAGHREB UNION,
1951-2010.***

By

MOHAMED AHMED EL-MAGHUR

REG NO: R51/76642/2009

**A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS OF
THE DEGREE OF MASTER OF ARTS (M.A) IN DIPLOMACY,
INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES,
UNIVERSITY OF NAIROBI**

University of NAIROBI Library

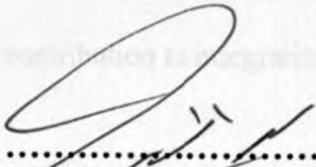


0532655 8

NOVEMBER 2011

DECLARATION

This thesis is my original work and has not been submitted for a degree to any other university.


.....
MOHAMED ELMAGHUR

8/11/2011
.....
Date

**Institute of Diplomacy and International Studies (IDIS)
University of Nairobi**

This thesis has been submitted for examination with our approval as University supervisor.


.....
Prof. J.D. OLEWE NYUNYA

10/11/2011
.....
Date

**Institute of Diplomacy and International Studies (IDIS)
University of Nairobi**

DEDICATION

To my parents, Buthaina Abdulaziz and Ahmed Hassan, thank you for your prayers, support and good will. May Allah rest your Souls in eternal peace.

To the people of Maghreb region, I offer this research study as a humble contribution to integration in the region.

ACKNOWLEDGEMENT

All thanks be to Allah for guiding me through this short but precious journey in studying for my Master of Arts Degree. I wish from the bottom of my heart to thank all those who have helped me either directly or indirectly to write this project. Special thanks go to Professor J.D.Olewe Nyunya whose timely supervision and attention to detail helped to improve and bring out the best of my potential as a scholar of diplomacy.

Many thanks to the society of the University of Nairobi, Institute of Diplomacy and International Studies, under the guidance of Professor Makumi Mwangi. I appreciate and would like to thank *Mwalimu* Dr. Anita Kiamba, Dr. Farah Ibrahim, Mr. Martin Nguru and Mr. Patrick Maluki.

I also wish to thank my wonderful family for their prayers, support and sacrifice for all the days I was away from home. To my wife Dr. Laila, my daughters Dr. Hadami, Hajer Hashem Bathaima and Salma.

Special thanks to the Ministry of Foreign Affairs of Libya, for giving me an opportunity to serve in Kenya where I had the opportunity to pursue this course. My friends in Kenya and Libya, I wish you the best and thank you.

Abstract

The Arab Maghreb Union (AMU) is an Economic Integration block comprising of five member states in North Africa. It was founded in 1989 to embrace and promote economic development of member states. When it was founded, member states agreed on an implementation time table. A time table set out tasks that were to be accomplished within specific times, this was done in accordance to standards of integration and against the background of the needs of states in member states. Among the objectives set in the establishing treaty was that, state leaders of the member states would be meeting annually to make decisions as the highest organ. However after five meetings, the leaders stopped meeting and have never met until now. Moreover, economic integration is a process that demands that states accomplish certain requirements before they are fully integrated as economic blocks. None of these requirements was achieved and neither did the Arab Maghreb member states attempt to pursue them.

This demonstrated that, integration in AMU had challenges which inhibited integration. From a far, the challenges appear to be pegged on national interest of member states, for instance the secession of Western Sahara state and the rivalry among member states. However, upon close analysis, it emerged that, the main challenge to integration in the Arab Maghreb Union were centered on the interests of state leaders.

The state leaders in most Arab Maghreb member states have been in power for decades, thus running the states akin too personal property. The interests of state leaders are a concern for integration. Successful integration requires that, states engage in activities that are purely oriented to promote economic prosperity. However, in the Arab Maghreb union, state leaders promote political interests in place of economic goals.

In this study political interests are examined as challenges of integration to integration. The challenges include policy challenges, Western Sahara conflict, interstate competition and leadership competition. Moreover, the study attempts to map out prospects of integration in the Arab Maghreb union. The prospects are based on the fact that, states are becoming increasingly more interdependent on one another, the prospects of development are better achieved when states pursue goals as a block than when they pursue goals as unitary entities.

List of Abbreviations

African Economic Community (AEC)

African Union Commission (AUC)

Agreement on Facilitation and Development of Trade (AFDT)

Arab Cooperation Council (ACC)

Arab Maghreb Union (AMU)

Comité Permanent Consultatif du Maghreb (CPCM)

Community of Sahel-Saharan States (CEN-SAD)

Community of Sahel-Saharan States CEN-SAD

East African Community (EAC)

Economic Community of Central African States (ECCAS)

Economic Partnership Agreement (EPA)

European Union (EU)

Greater Arab Free Trade Area (GAFTA)

Gulf Cooperation Council (GCC)

Intergovernmental Authority on Development (IGAD)

Islamic Salvation Front (FIS)

Libyan Arab Investment Company (LAICO)

Regional Economic Communities (RECs)

Sahrawi Arab Democratic Republic (S.A.D.R.)

Southern African states, the Southern African Customs Union (SACU)

The Treaty Establishing the Arab Maghreb Union

United Nations Economic Commission for Africa (UNECA)

Introduction	1
Chapter One	10
Chapter Two	10
Chapter Three	10
Chapter Four	10

CHAPTER ONE: INTRODUCTION, CHALLENGES AND PROSPECTS FOR THE ARAB MAGHREB UNION (AMU)

Introduction	1
1.1. The Arab Maghreb Union	1
1.2. Objectives	1
1.3. Economic Review	1
1.4. Political Context	1
1.5. Membership	1
1.6. The Arab Maghreb Union	1
1.7. Chapter One	1

CHAPTER TWO: ARAB MAGHREB UNION CASE STUDY

Introduction	1
2.1. Background to Integration	1
2.2. Evolution of Integration in Africa	1
2.3. Integration in the Arab Maghreb	1
2.4. Arab Maghreb Union	1
2.5. Conclusion	1

CHAPTER THREE: CHALLENGES BY THE ARAB MAGHREB UNION

Introduction	1
3.1. The Arab Maghreb Union	1
3.2. Trade Challenges: Overlapping Membership	1

TABLE OF CONTENTS

	PAGE NUMBER
Declaration	i
Dedication	ii
Acknowledgement	iii
Abstract	iv
List of Abbreviations	v
Table of Contents	vii

Chapter One EVOLUTION, CHALLENGES AND PROSPECTS OF THE ARAB MAGHREB UNION, 1951-2010.

Introduction	1
Statement of the research problem	2
Objectives	3
Literature Review	3
Theoretical Framework	15
Hypotheses	17
Methodology	17
Chapter Outline	20

CHAPTER TWO: ARAB MAGHREB UNION CASE STUDY

Introduction	21
Background to Integration	21
Evolution of Integration in Africa	24
Integration in North Africa	27
Arab Maghreb Union	31
Conclusion	37

CHAPTER THREE: CHALLENGES IN THE ARAB MAGHREB UNION

Introduction	38
Background	38
Internal Challenges: Overlapping Membership	41

Western Sahara conflict	45
Interstate competitions	47
Policy Challenges	49
Personal Interest	51
External Challenge to Integration in the Arab Maghreb Union	52
Conclusions	54

CHAPTER FOUR: ARAB MAGHREB UNION CASE STUDY

Introduction	55
The Founding Treaty	56
Internal Challenges to Arab Maghreb Union	58
Political Rivalry	59
Security	64
Interstate Competition	65
Economic	68
External Challenges	70
Conclusions	73

CHAPTER FIVE: CRITICAL ANALYSIS

Introduction	74
Neo Liberalism and integration	79
Role of Institutions in integration	80
Arab Maghreb Secretariat	87
Multiple overlapping Membership	90
Prospects for Arab Maghreb Union	93
Conclusions	97

Chapter Six: Summary, Conclusions and Recommendations

Conclusions	
Summary	98
Conclusions	99
Recommendations	104
Bibliography	106

CHAPTER ONE: EVOLUTION, CHALLENGES AND PROSPECTS OF THE ARAB MAGHREB UNION, 1951-2010

Introduction

The term Maghreb which means 'the West' in Arabic, was generally associated with the three states of northwestern Africa that came under French control during the colonial era. These three states are Algeria, Morocco, and Tunisia, later on, Mauritania and Libya joined to form the greater Maghreb region. Geographically, the five countries are located at a cultural crossroad, they border the western wing of the Arab world, then the southern shore of the Mediterranean, and the northern tier of the inter-African diplomatic system. They all share an Islamic heritage with their neighbors to the southwest and east, and this transnational link provides the social base for the Greater Maghreb idea.

The treaty establishing the Arab Maghreb Union (AMU) was launched by the five Arab Maghreb states in 1989 with the aim of deepening economic integrations and strengthening cooperation in foreign and defense policies. Originally, the establishment of a customs union was planned for 1995, and was to be followed by the creation of a common economic market in 2000, and later a common security institution, however none of this has been achieved. Although the Maghreb region has potential and resources to integrate, political divisions among states and state leaders has derailed the integration process and stagnated the aims of the treaty and further trickled to impact social, economic and political aspects. This research study will examine the impact of challenges to the integration of AMU. These include differences over the disputed sovereignty of Western Sahara state, interstate competition which pit Tunisia against Libya, and individual leader's interests.

Statement of the Research Problem

The Arab Maghreb states have arguably been resistant to cooperation when much of Africa and the rest of the world are integrating. Although the region is composed of people with similar culture, religion and ethical background integration has been elusive. The realization that integration can promote growth led Arab Maghreb states to pursue regional integration under the banner of Arab Maghreb Union. The process embarked on reducing barriers to trade, encouraging mutual exchange of goods, services, capital and people. Hence, integration in this sense is a prelude to improved common security, increased democracy and general development among member states.

The charter establishing the Arab Maghreb Union is yet to be implemented, due to an array of challenges. The main challenges emanate generally from political state interests and specifically between leaders. The differences between leaders have derailed the implementation of the treaty, hence exposing the region to security threats from Al Qaeda and derailing the realization of a common market. The Western Sahara conflict divides Arab Maghreb states into two groups further jeopardizing integration efforts. Hence, an examination of these challenges will provide a basis to provide recommendations for future integration efforts within the Arab Maghreb Union and most importantly among states that are members of the Arab Maghreb Union. These challenges derail the realization of a common approach to security, economic development and democracy. And therefore this research aims to study the impact of the challenges on the Arab Maghreb Union.

Objectives

Primary Objective

To examine the challenges of the Arab Maghreb Union

Secondary objectives

- i. To examine the prospects of the Arab Maghreb Union.
- ii. To find out the prospects of regional integration on Arab Maghreb Union.
- iii. To study the progress of Arab Maghreb Union in relation to the goals set by the establishing treaty

Literature Review

Introduction

This literature review will examine debates, challenges and prospects of integration among Arab Maghreb Union (AMU) member states. To achieve this, the section will utilize existing and debates of scholars in books and journal articles to argue out the topic of this research study. The section will start by considering the general concept of integration in the African perspective, then review literature on AMU.

Development of Integration in Africa

The history of regional integration in Africa indicates that the reasons or objectives for integrating have been evolving over time.¹ Regional integration has shifted from the initial focus on the political decolonization of Africa to the current emphasis on socio-economic integration

¹ African Union Commission (AUC), *The minimum integration program*, AUC, Addis Ababa, 2009.

for stronger bargaining base in global stage and for mutual benefit in the form of accelerated growth and development. According to Mansfield and Helen, the ultimate goal of regional integration is mainly to merge some or all aspects of the economies concerned.² This usually evolves from simple cooperation and coordination of mutually agreed aspects amongst a given number of countries to full integration or merger of the economies like the European Union (EU).

To enter the debate on integration, calls first for understanding the concept of regionalism. Mansfield says that regionalization refers to the growth of societal integration within a region and to the often undirected processes of social and economic interaction.³ The term lays particular weight on autonomous economic processes which lead to higher levels of economic interdependence within a given geographical area than between that area and the rest of the world. Taylor argues that regionalism and the call for strengthened regionalist arrangements have been central to many of the debates about the nature of the Post-Cold War international order.⁴

The Post Cold war period witnessed a resurgence of regionalism in world politics. Old regionalist organizations like the East African Community were revived and new organizations like the Arab Maghreb Union formed. From the above, Nye points out two major classes of regionalist activity: on the one hand are micro-economic organizations involving formal

² E. Mansfield, and M. Helen, 'The New Wave of Regionalism' *International Organization*, Vol:53, No: 3, 1999, p.589.

³ *ibid*

⁴ P. Taylor, *International Organization in the Modern World. The Regional and Global Process*, London, Pinter, 1993, pp. 24-28.

economic integration and characterized by formal institutional structures; and on the other hand are macro-regional political organizations concerned with controlling conflict.⁵

Nye further argues that regionalism was often analyzed in terms of social cohesiveness including ethnicity, race, language, religion, culture, history, consciousness of a common heritage.⁶ In addition, economic cohesiveness including trade patterns, and economic cooperation, political cohesiveness defined by regime type, ideology and organizational cohesiveness including existence of formal regional institutions.

With the above understanding it emerges that Nye, Mansfield and Taylor adopt a neo-liberal approach to describe integration. Nye's first classification of regional integration is the basis upon which Arab Maghreb Union is modeled. Palmer adds that this class of regional integration involves specific policy decisions by governments, designed to reduce or remove barriers to mutual exchange of goods, services, capital and people.⁷

Integration in the Arab Maghreb Union

Banso observes that the idea of regional cooperation between the Maghreb states has deep roots. Banso notes that the first Maghreb Unity Congress was first held in 1958.⁸ Here, Maghreb countries established a Comité Permanent Consultatif du Maghreb (CPCM), which was bestowed with the mandate of coming up with a solid plan for regional state cooperation.

⁵ Joseph S. Nye, *Peace in Parts: Integration and Conflict in Regional Organizations* (Boston: Little, Brown and Co., 1971).

⁶ Ibid

⁷ Norman D. Palmer, *The New Regionalism in Asia and the Pacific* (Lexington: Lexington Books, 1991); and Bjorn Hettne, 'Neo Mercantilism: The Pursuit of Regionness', *Cooperation and Conflict*, 28, 3 (September 1993).

⁸ K. Danso, *The African Economic Community: Problems and Prospects*, *Africa Today*, Vol. 42, No. 4, *The Politics of Economic Integration in Africa*, Fourth Quarter, 1995, pp. 31-33.

Although this idea was noble, divisions between the Maghreb states and the popularity of Pan-Arabism meant that no attempt was made to pursue the plan beyond the conference room.

The failure from above was credited to state rivalries, Palmer notes that irrespective of the developments, Maghreb states managed to meet in 1989 and signed the charter that established the Arab Maghreb Union.⁹ At that time Taylor adds that greater regional cooperation was made possible by the reconciliation of Tunisia and Libya in 1987 and the re-establishment of diplomatic relations between Algeria and Morocco in 1988.¹⁰ This thaw in regional relations led to the signing of the Treaty establishing the Arab Maghreb Union in February 1989 by Algeria, Libya, Mauritania, Morocco and Tunisia.

The charter foresaw the establishment of a consultative assembly in Algiers as well as a regional judicial authority in Nouakchott. It also established a Maghreb University in Tripoli and a General Secretariat in Rabat. A customs union was supposed to be in operation by 1995, followed by the establishment of a common market in 2000. Common defense and non-interference in the domestic affairs of the partners were also key aspects of the AMU Treaty.¹¹ Generally, the Treaty highlights the broad economic strategy as: the development of agriculture, industry, commerce, food security, and the setting up of joint projects and general economic cooperation programs. It also provides the possibility for other Arab and African countries to join the Union at a later stage.¹²

⁹ N. D. Palmer, *The New Regionalism in Asia and the Pacific*, op, cit

¹⁰ P. Taylor, *International Organization in the Modern World*, op, cit

¹¹ The Treaty Establishing the Arab Maghreb Union

¹² M C Hudson, 'After the Gulf War: prospects for democratization in the Arab world', *Middle East Journal*, 45(7), 1991, pp 407-426.

Aghrout and Sutton argue that neither of the above goals set by the treaty have been achieved due to a revival of conflict between the Maghreb states and particularly a deepening in Moroccan and Algerian differences over the Western Sahara and between Libya and the other members over the Lockerbie incident.¹³ These internal differences meant that AMU remained by and large stalemated.

In theory, the founding objectives of Maghreb unity were conditioned to promote cooperation during the colonial period, but when states became independent, Hormats argues that they failed to achieve a union or pursue cooperation to a level where by they could all realize the benefits of integration.¹⁴ The situation remained the same until the 1980's when feelings of a greater Maghreb sprouted among five nations in North Africa namely, Morocco, Tunisia, Algeria, Libya and Mauritania.¹⁵ Since the AMU was created in 1989, North Africa has not accomplished regional integration either and the reasons that explaining this failure are manifold.

First of all, the Marrakesh treaty designated the Presidential Council, composed of the heads of state of the five member countries as the authorized decisions makers, Harsch notes that summit meetings have not occurred, thus setting a pattern of delay which later became the unofficial norm.¹⁶ To explain this development, Etzioni argues that the AMU was founded in the wake of the post cold war period, when states in the Maghreb had emerged from two different political ideologies. Etzioni adds that a major rapprochement between Algeria and Morocco over the

¹³ A. Aghrout and K. Sutton, "Regional Economic Union in the Maghreb," *The Journal of Modern African Studies* vol. 28, no. 1 (1990), pp. 115-39.

¹⁴ R. D. Hormats, 'Making Regionalism Safe', *Foreign Affairs* (March/April 1994), p. 98.

¹⁵ MOROCCO, ALGERIA, LIBYAN ARAB JAMAHIRIYA, MAURITANIA AND TUNISIA, Treaty instituting the Arab Maghreb Union (with declaration). Concluded at Marrakesh on 17 February 1989, No. 26844.

¹⁶ E. Harsch, "Africa Seeks Economic Unity," *Africa Recovery* (June 1991), p. 13.

Western Sahara state constituted a fiscal danger to Maghreb integration.¹⁷ The different ideological backgrounds and Western Sahara conflict divided the states into two sets, any formal gathering of the states would have necessitated the discussion of the Western Sahara state, therefore, to avoid such discussion was best avoided by skipping the summit meetings.

In contrast Halpern argues that Algeria and Morocco of this states regarded integration as a framework within which to resolve the long dispute over the Western Sahara,¹⁸ but four years after the treaty was signed, it was apparent that the conflict would not be solved within AMU. Etzioni hence argues that this demonstrated that the AMU did not have the political will to pursue problems facing member states or it was less committed to realizing any positive developments.

In the same breath, after the Libyan government was sanctioned by the United Nations over the Lockerbie bombings, it had expected member states of AMU to back it according to the treaty specifications. But when this did not happen, Libya was seen to absorb the effects on it's own. As a consequence the Libyan government tended to shift its focus from AMU to the newly formed Community of Sahel-Saharan States CEN-SAD.¹⁹ And it is upon this juncture that AMU was deemed as collapsed.

¹⁷ Amitai Etzioni, *Political Unification: A Comparative Study of Leaders and Forces*, New York, Holt, Rinehart and Winston, 1965, p. 318.

¹⁸ M Halpern, *The Politics of Social Change in the Middle East and North Africa*, Princeton, NJ: Princeton University Press, 1965, p 229.

¹⁹ *ibid*

Theoretical Perspective of Maghreb

Nye argues that neo-liberalism underscores the need for integration or cooperation among states if they are to develop.²⁰ The basic objectives that have underpinned the pursuit of regional integration are engulfed within the neo-liberal institutional theory. Neo-liberalist theory advocates for merging of economies and monetary unions²¹ while harmonization of economic policies paves way for integration. Yang and Gupta identify enlargement, diversification of market size, and tapping of related opportunities, the promotion of intra-regional trade and free movement of goods and persons as driving factors of production, which result in stronger member states bargaining position in relation to other regional blocs in fostering of socio-economic progress, political stability, as well as peace and security.²²

Agrhout and Sutton argue that the establishment of a framework for addressing political and economic tensions in the region is a benefit of a regionalist approach to development.²³ The AMU in this sense would foster political coordination in the region and provide the necessary framework for facilitating regional integration. Presently there are few productive means through which conflicts in the Arab Maghreb Union can be addressed. The AMU therefore has the potential to establish an institutional network through which these issues can be resolved.

Zineldin argues that regional integration can foster competition with other regional organizations, enhance access to wider market through trade, widen and diversify investment and production of states, promote socio-economic and boost political stability and bargaining power

²⁰ Joseph S. Nye, *Peace in Parts: Integration and Conflict in Regional Organizations*, op, cit.

²¹ World Bank, *ibid*.

²² Y. Yang, and S. Gupta, "Regional Trade Arrangements in Africa: Past Performance and the Way Forward", IMF Working Paper 05/36, IMF, Washington D.C, 2005, pp. 12-14.

²³ A. Agrhout, and K. Sutton, 'Regional Economic Union in the Maghreb', *The Journal of Modern African Studies* Vol:115, p. 221.

for the countries involved.²⁴ From this, it can be said that AMU need to be multi-dimensional to cover the movement of goods and services through trade, capital and labor, socio-economic policy coordination and harmonization, infrastructure development, environmental management, and reforms in other public sectors such as governance, peace, defense and security. The term multi dimensional is used in this case to refer to a situation whereby, regional integration strategy aims to benefit member states in more than one aspect of social, economic and political life.

However, integration is not always oriented for positive developments.²⁵ Integration can be complicated by perceived or real gains or losses among the member states. This can lead to disputes and a sense of loss of national sovereignty among some states. For success, Folson et al observe that regional integration therefore requires a strong commitment in implementing the agreed arrangements, fair mechanisms to arbitrate disputes and equitable distribution of the gains and costs of integration.²⁶

Paul is of the view that governments in the Maghreb nations have traditionally only made economic reforms in areas where their power and control was not threatened in any way, meaning there has been little real economic progress in the AMU.²⁷ A relaxing of controls that would necessarily come with a genuine free trade agreement would, in theory, lead to a liberalization of economic policies in the region. According to neoliberal theorists like Bush, this would invariably lead to the growth of trade and a strengthening of the financial sector through

²⁴ M. Zineldin, 'Globalisation and Economic Integration Among Arab Countries', (paper presented at the *Fourth Nordic Conference on Middle East Studies*, Oslo, 13-16 August 1998).

²⁵ World Bank (2006), *Global Economic Prospects: economic implications of remittances and migration*, Washington, DC: The World Bank, p.34.

²⁶ R. H. Folson, M. W. Gordon and S A. John, *International Trade and Economic Relations in a Nutshell*, Thomson West, Eagan Publishers, 2004, pp. 34-36.

²⁷ S.Paul, 'The League of Arab States: Debacle of A Regional Arrangement' *International Organization* Vol:6, No:4, 1949, p.638.

increased foreign capital from western states.²⁸ This argument is a sound one, but has not been demonstrated as yet within the North Africa region.

Despite increased dependency and cooperation that AMU brings to the region, Lamy notes that the main impediment to greater regional security and military coordination remains the Western Sahara conflict.²⁹ The conflict between Morocco and Algeria over sovereignty of the former Spanish colony prevents meaningful regional security coordination, stifles economic growth, and prevents intra-regional trade from developing. In this perspective, regional integration constitutes the best instrument in the fight against terrorism in the Maghreb region and becomes a decisive element to be developed.

The dispute over the Western Sahara is perhaps the single most important challenge facing AMU. A Policy Research Report by the United Nations Economic Commission for Africa notes that the origin of this conflict was Spain's 1974 decision to relinquish control over the colony then known as the Spanish Sahara.³⁰ The report adds that Spain's move resuscitated hostilities that had first erupted during the Algeria-Morocco border war of 1963. Morocco considered the territories of Saguia el-Hamra and Rio de Oro as its own southern provinces that were appropriated by Spain during the colonial scramble for Africa.

²⁸ R. Bush, 'Poverty and the Neoliberal Bias in the Middle East and North Africa', *Development and Change*, Vol:35, No:4,2004, p.673.

²⁹ P. Lamy, "Sharing the Gains of Globalisation in the New Security Environment: The Challenges to Trade Facilitation", In: Pascal Lamy, *Sharing the Gains of Globalisation: The Importance of Trade Facilitation*, UN Economic Commission for Europe, United Nations, New York, 2003, p. 4.

³⁰ ECA, *Assessing Regional Integration in Africa*, UNECA Policy Research Report, UN Economic Commission for Africa, Addis Ababa, 2004, p.5.

Algeria in contest took the position that any colony was entitled to self determination, and early in 1975 it began to support a Sahrawi nationalist movement called the Polisario Front.³¹ When Morocco declared its intention to liberate the colony via a peaceful occupation (the spectacular Green March of October-November 1975). Morocco had agreed with Mauritania to partition the territory. The Algerian-backed Polisario Front refused to accept this arrangement, and the war for the Western Sahara began, leading to a break in diplomatic relations between Algiers and Rabat.

In this perspective, Aarts adds that regional integration constitutes the best instrument in the fight against terrorism in the Maghreb region and becomes a decisive element to be developed.³² Both the United States and the EU share this perspective, and the latter also perceives it as a solution for economic and migration problems.³³ However, since independence, North Africa was built around two “competitive couples”, Algeria-Morocco and Libya-Tunisia, who redefined their relations according to the circumstances. In the course of the past three decades, the facts refuted the official discourse on North African identity and solidarity: Algerians supported the Sahrawi people during the Western Sahara conflict since 1976. In 1980 Morocco suspected Algerians were behind the Marrakech attack, and in the summer of 1994 Algerians accused Morocco of supporting Algerian Islamists.³⁴

³¹ *ibid*

³² P. Aarts, 'The Middle East: A Region without Regionalism or the End of Exceptionalism?' *Third World Quarterly*, 1999, Vol:20, No:5, p.87

³³ Al. Darrat, and A. Pennathur, 'Are the Arab Maghreb Countries Really Integratable?', *op. cit.*

³⁴ *ibid*

After years of conflict in the region, Gottman argues that the emerging Greater Maghreb appears to be the most promising framework within which to resolve the Western Saharan dispute.³⁵ Recent positive improvements in inter-state relations in the Maghreb have stemmed in particular from the rapprochement between Algeria and Morocco after a break in diplomatic relations lasting 12 years. In May 1987, both Heads of State met near Oujda and pledged to resolve existing problems through consultation. A month later, Libya advocated union with Algeria in order to consolidate their good relations, whereupon Qaddafi was urged by Bendjedid Chadli to sign *Le Traite de fraternite et de concorde*. Furthermore, the normalisation of diplomatic ties between Libya and Tunisia, and the revision of earlier economic accords, ended their bilateral conflict.

Regional unity gathered momentum during 1988. In February, Fargues adds that the leaders of Algeria, Libya, and Tunisia met at Sakiet Sidi Youcef, where they agreed on the need both for a just settlement of the Western Sahara conflict, and for regional stability and the early realisation of a 'Greater Arab Maghreb.'³⁶ Concurrently, Morocco was beginning to show that it was prepared, albeit reluctantly, to negotiate with the leaders of the Polisario Front, and reports of talks in Marrakech raised hopes for a definitive settlement through a U.N. sponsored peace process, leading to a referendum on future of the disputed land. Diplomatic relations were resumed between Algeria and Morocco in May 1988, and after the Arab summit on Palestinian issues held in Algiers the following month, the leaders of Algeria, Libya, Mauritania, Morocco, and Tunisia held their first-ever summit to discuss Maghreb unity.

³⁵ J. Gottmann, 'Economic Problems of French North Africa', *Geographical Review*, Vol. 33, No. 2 (Apr., 1943), p. 176.

³⁶ P. Fargues, 'The Decline of Arab Fertility. Population: An English Selection', *Journal of Commerce*, Vol. 44, No. 1 (Sep., 1989), p. 148.

A series of bilateral crises that hit Maghreb region in the 1970s, changed disputed areas into zones of co-operation, and challenged liberal integration efforts in the Arab Maghreb Union. For example, Yang and Gupta note that during 1972-4 Libya and Tunisia had signed some 15 accords, which could have gone half-way towards unifying the two countries by 1981.³⁷ But the unseemly haste with which Tunisia disengaged from the abortive declaration of union in 1974 with Libya worsened relations between the two countries for several years. More serious was the Algerian-Moroccan disagreements over the Western Sahara from 1975 onwards, which decisively halted all co-operation for nearly a decade.

Sutton argues that Algeria urged Libya to normalize relations with Chad, with which it was at war during parts of the 1980s; Algeria likewise encouraged Libya's rapprochement with Tunisia, thus simplifying the tasks facing Ben Ali in consolidating the post-Bourguibist order there.³⁸

Zartman argues that the socialist approach of the Algerian government hindered the development made by the Arab Maghreb Union, with Algeria refusing to cooperate on any issues which might have invaded on its level of domestic economic control.³⁹

Algeria refused to open up its financial sector to foreign investment and would not budge on issues of privatisation, making it difficult to institute liberal economic reform across all five member states. Sutton argues that even in nations where this socialist approach was absent, those governments who had manipulated nationalist loyalties in order to force citizens to accept

³⁷ Y Yang, and S Gupta, *Regional trade arrangements in Africa: past performance and the way forward*, op, cit, p. 86.

³⁸ K. Sutton, 'Political Association and Maghreb Economic Development', op, cit.

³⁹ I. W. Zartman, 'The Elites of the Maghreb: A Review Article', *International Journal of Middle East Studies*, Vol. 6, No. 4 (Oct., 1975), pp. 495-504.

sacrifices were unwilling to let go of restrictive protectionist policies that gave them almost unlimited economic control over domestic markets.⁴⁰

Conclusion

In conclusion it emerges from the above literature review that although integration is a noble cause, it has not been realized as pursued in the Arab Maghreb members states. There are policy and political challenges that derail this realization, from the literature review, it emerged that the Western Sahara conflict, interstate competition, and individual leaders interest, hold hostage the realization of integration. There is need to examine the challenges and offer a clear cut guideline for prospects of integration among Arab Maghreb states.

Theoretical Framework

Neo-liberal institutionalism has been the most influential theoretical approach to the study of international cooperation and represents a general theory for understanding the resurgence of regionalism. Neo-liberalist base their analysis on a number of core arguments. In the first place, increasing levels of interdependence generate increased demand for international cooperation. Institutions are viewed as purposively generated solutions to different kinds of collective action problems.

Neo-liberal institutionalism is concerned with ways in which states conceived of as rational egoists can be led to cooperate. Institutions matter because of the benefits that they provide, and because of their impact on the calculations of the players and the ways in which states define

⁴⁰ K. Sutton, 'Regional Economic Union in the Maghreb, op, cit

their interests. They achieve this through the provision of information, the promotion of transparency and monitoring, the reduction of transaction costs, the development of convergent expectations, and facilitation of the productive use of issue linkage strategies.

Neo-liberal institution theory then, concentrate on the ways in which strategic interaction may lead to the emergence of cooperation in a given area of international relations. This theory would seek to identify the ways in which processes of regionalization and regional economic integration create, first, material problems and international policy externalities that require collective management; and, second, incentives for reducing transaction costs and facilitating intra-regional linkages.⁴¹

From a neo-liberalist perspective, the emergence of regional security regimes should not be viewed in terms of the balance of power or alliance formation.⁴² Rather the theoretical perspective states that they have been created, and will survive, because of the benefits they provide: by facilitating communication, information, transparency; by reducing mutual threat perceptions and worst-case thinking; and by undercutting the self-fulfilling prophecies that lie at the heart of the security dilemma. Finally regional cohesion would emerge, on this view, not from grand proposals to create new federal structures but from the way in which individual or issue-specific cooperation comes to form an increasingly dense network where cooperation on each new issue becomes embedded in a larger and more complex whole.

⁴¹ R. O. Keohane and S. Hoffmann (eds.), 'The New European Community. Decision Making and Institutional Change, Boulder, Westview, 1991, pp.2-5.

⁴² Ibid.

Hypotheses

- i. Policy and political challenges like Western Sahara conflict, interstate competition and national interests derail the implementation of Arab Maghreb Union.
- ii. Development of infrastructure, trade and security promotes integration.
- iii. The achievements of Arab Maghreb Union lag behind objectives of the treaty because of political divisions among state leaders.

Methodology

This study will use both secondary and primary sources of data to gather information. Primary data methods will be employed through four ways. First is conducting of interviews, second is conducting of Focused Group Discussion (FGD), third is, use questionnaires, and fourth is the use of secondary data.

Information will be sought from the Central Banks of member states. Information from here will help to access the economical commitment of member states towards realizing a common currency as per the treaty objectives. Information obtained will also be important to examine the level of trade between the member states. In addition, the ministries of trade and Treasury will be important sources for primary information. The principal researcher will seek to get information on the trends, challenges and prospects facing the AMU markets.

Primary information will also be sought from transnational organization engaged in trade among the AMU member states. These include, Oil Libya Petroleum Company, Sonatrack Petroleum Company and Libyan Arab Investment Company (LAICO). Information obtained from these

organizations will be used to analyze the benefit of integration to trade between the member states.

The principal researcher will seek for information from the Council of Foreign Arab Ministers of Arab Maghreb Union, this organ is responsible for preparing for the sessions of the council of Heads of State and examining proposals formulated by subordinate committees and four specialized ministerial commissions namely economy, and finance, human resources, basic infrastructures and food security. It will also seek information from Directorate responsible for political, business, information and cabinet affairs, the information obtained from this organ will be used to analyze the commitment of member states. The principal researcher will also seek information from the directorate of food security of the Arab Maghreb Union, information obtained from here will be used to gauge and analyze the ability of AMU in responding to human security of its people.

It will also seek information from the Directorate of infrastructure of AMU, information obtained from here will be used to examine the level of preparedness of member states to embrace development. Finally, the principal researcher will seek to use the Treaty instating the Arab Maghreb Union (with declaration). The information obtained from here will be used to analyze the aims, goals and prospects of the member states and compare with the achievements on the ground.

While conducting interviews, the principal researcher will identify key organizations which are relevant to the development of Arab Maghreb Union. Some of the organizations identified in this

study include but not limited to Libyan Embassy, Moroccan Embassy, Algerian Embassy, Tunisian Embassy and Mauritanian. The information sought from here will help to analyze the political commitment of states towards developing a regional organization.

In addition, the principal researcher will use interviews to get data from people on the ground. The proposed sample target will be 100 respondents, respondents will be chosen from the member states, a standard questioner will be distributed and the respondents will be required to fill in. Information obtained from here will be used to critically build on the case study of this study proposal, it will be used as a basis for developing the critical analysis section and the premise for making recommendations on areas of further research.

A Focused Group Discussion will be conducted between four people, a senior counsel from one of the AMU embassies in Kenya, a political scholar from university, a legal counsel and the principal researcher. Information from this discussion will be used to develop the case study chapter and utilized to put the discussion into perspective.

Finally, this study research will use journal articles, books, specialized monographs, and specialized articles on globalization. Information obtained from these sources will be used to develop the principals within which this study is structured, the information will further be used to support the main arguments in the critical analysis chapter and finally it will be used to ensure that the study research does not duplicate information on already existing literature.

Chapter Outline

Chapter One

Will examine the background to the Arab Maghreb Union (AMU), state objectives, literature review, theoretical frame work, and proposed methodology.

Chapter Two

Will put emphasis on and analyze the historical background to the regional integration organizations in general and AMU in specific.

Chapter Three

Will analyze the challenges and prospects of AMU, particular focus will be on policy, Saharan conflict, interstate interest and interstate competition for regional dominance.

Chapter Four

Chapter Four will examine the data for the case study.

Chapter Five

Will be the critical analysis chapter for this study research. Here, various issues raised in the previous chapters will be pulled together to create the basis for critical analysis.

Chapter Six

Will examine the summary for this study, findings and recommendations for further research.

CHAPTER TWO: HISTORICAL BACKGROUND TO THE INTEGRATION OF ARAB MAGHREB UNION

Introduction

The previous chapter introduced the topic to this research study. The chapter was concerned with the statement of the research problem, objectives of research study, literature review that highlighted main debates underlying the phenomenon of Arab Maghreb Union. From the literature review, emerged the theoretical framework that will guide this study. Chapter two will generally consider a critical examination of Integration in the Arab Maghreb Union. To achieve this, the chapter opens with a discussion on general integration trends in Africa, the chapter begins with a historical background to integration, and then narrows focus to Regional Economic Communities (RECs) and sub regional integration efforts. Finally, the chapter focuses on the centrality of this study which is the phenomenon of Arab Maghreb Union.

Background to Integration

Deng and Zartman observe that in Africa, regional integration has been a very important process in the development of the continent, its genesis can be traced back to the early 20th century.¹ Since then, the process of integration has developed through three distinct phases. Deng and Zartman argue that the first phase was a strong political motivation, characterized by the struggle for liberation from the colonization and search of the continent identity often referred to as Pan Africanism. The second phase was characterized by internal conflicts that doted states within specific regions. These conflicts were characteristic to regions and hence created the need for a regional solution to regional conflicts.

¹ F. M. Deng and I. William Zartman. *A Strategic Vision for Africa: The Kampala Movement; Demilitarizing the Mind: African Agendas for Peace and Security*, 2002, pp. 20-22.

The third phase was characterized by economic needs among states. This phase emerged from the fact that some states regarded a common continental approach for economic empowerment as the possible means to economic empowerment, but only if there was success in sub regional systems. Bush and Seldon observe that the important issue to note here is that the third phase coincided with the phenomenon of globalization.²

The first United Nations Economic Commission for Africa (ECA) study on regional integration,³ perceived benefits of integration to include, sustainability, increased foreign and domestic investment; increased global competitiveness; promotion of regional public goods; prevention of conflict; consolidation of economic and political reform and economies of scale. In comparison Yang and Gupta note that revitalized regional integration offers the most credible strategy for tackling Africa's development challenges.⁴

In theory, the concept of integration utilizes the element collective security to emphasize the benefits of regional economic cooperation among states. From afar, this concept appears to suggest that regional integration is limited to development, but upon close analysis it emerges that regional integration has other implications of significance. Mansfield and Helen note that in African regional integration history and most economic regional organizations arose from the need for collective approach to security threats.⁵ Here security interests rather than economic or developmental interests are the driving force for integration.

² R. Bush and D. Seddon, *North Africa in Africa*, Review of African Political Economy, Vol. 26, No. 82, North Africa in Africa, 1999, pp. 435-439

³ F. M. Deng and I. William Zartman, 2002, *ibid*

⁴ Y and Gupta, S, *Regional trade arrangements in Africa: past performance and the way forward*, Africa Department, WP/05/36, International Monetary Fund, Washington DC, 2005, p. 53.

⁵ E, Mansfield, and M. Helen, 'The New Wave of Regionalism' 1999, *International Organization*, op, cit

Deng and Zartman support the above view and argue that because of the many weaknesses that overwhelm the limited capacities and resources of individual countries particularly in the third phase of development identified above⁶ collective efforts with dynamic political commitment to integration can help to overcome the daunting challenges. Sigler adds that the benefits of regional integration, and indeed globalisation, remain a critical part of Africa's development strategy.⁷ The era of isolated tiny national economies has given way to strategic alliances that harness knowledge and resource based comparative advantages through integration. This however did not come effortlessly and at no cost, Sigler argues that it needed a lot of dedicated planning and hard work.

According to the United Nation Economic Commission for Africa, integration can be traced back to the initiation of above mentioned African leaders and the need for economic institutions in promoting social and economic development.⁸ Hence, leaders recognized the importance regional integration and chose it as one of their main development strategy.⁹ As a result, today many African countries are members of one or more sub-regional groups. Sub-regional groupings have the objective of promoting economic cooperation, integration and coordination among member states.

From the above view, it emerges that the political element is often the launching pad for greater integration. According to Easterly and Levine, the link between political and economic integration is founded on the belief that Africa's regional integration has been a stated priority

⁶ Francis M. Deng and I. William Zartman, *A Strategic Vision for Africa*, 2002, op, cit.

⁷ J. H. Sigler, News Flow in the North African International Subsystem, *International Studies Quarterly*, Vol. 13, No. 4, 1969, pp. 381-383.

⁸ Arab Federation, *Economic and Political Weekly*, Vol. 5, No. 46, 1970, p. 1831.

⁹ A. J. and G. Fabro, Does the impact of Institutional Quality on Economic Growth Depend on Initial Income Level? *Economic Affairs*, 28 (3), 2008, pp. 45-49.

agenda for African governments, hence, they argue that regional integration imperatives have to do with the dynamics of the globalizing economy, as a means to enhance and assure competitiveness through better leverage in international trading.¹⁰

Despite the fact that political leaders of most African states recognized the failure affecting regional integration in Africa, Manby observes that they believed that a well designed and implemented regionalism would contribute significantly and positively to the development of the continent and that it would follow the tendency of the world going toward the creation of regional blocks.¹¹

In the context of globalization, Déjeux et al note that regional integration is an imperative for Africa, in terms of enhanced competitiveness in global trading, prevention of conflicts and consolidation of economic and political reforms.¹² Finally, it is now widely recognized that regional integration and cooperation play a crucial role in improving the economic outlook of Africa. Integration is an obligatory and unavoidable approach for weak countries, given the difficulties associated with globalization.

Evolution of Integration in Africa

According to Chiumya, regional integration has been part of Africa's strategy for economic transformation for more than three decades and in some cases for almost a century.¹³ The first

¹⁰ E. W. and R. Levine, 'Africa's Growth Tragedy: Policies and Ethnic Divisions', *Quarterly Journal of Economics*, 112 (4), 1997, pp1203-1205.

¹¹ B. Manby, 'The African Union, NEPAD, and Human Rights: The Missing Agenda', *Human Rights Quarterly*, Vol. 26, No. 4 (Nov., 2004), pp. 983-984.

¹² J. Déjeux and R. H. Mitsch, 'Francophone Literature in the Maghreb: The Problem and the Possibility', *Research in African Literatures*, Vol. 23, No. 2, *North African Literature*, 1992, pp. 5-7

¹³ C. C. N Chiumya, *Regional trade agreements: an African perspective of challenges for customs policies and future strategies*, pp. 4-7.

experiment with integration was within Southern African states, the Southern African Customs Union (SACU) was established in 1910, and is arguably the first sub-regional attempt on integration. When it was founded, it was geared purposely towards promoting economic development among the southern countries. In 1949 the Southern Rhodesia Customs Union emerged between South Africa and present day Zimbabwe and was perceived to be a continuation of the SACU.

The need for the above is attributed to the period after the Second World War and linked to two main reasons. Tlili notes that one reason is that during this time, Africa was built of small states which were economically insignificant.¹⁴ The second reason is that the fragmentation of Africa was viewed by the African Union Commission (AUC) as one of the constraints to development.¹⁵ As a result the African Union viewed sub-regional cooperation as a solution to the continents development problems.

In comparison Barro notes that the dawn of Regional Economic Communities (RECs) in Africa can be traced back to the 1960s during the third phase of integration stated above. Here, the United Nations Economic Commission for Africa (UNECA) encouraged African states to incorporate single economies into sub-regional systems with the ultimate objective of creating a single economic union on the African continent.¹⁶ In order to realize this aim, the then Organization of African Unity identified the need to enhance regional integration within the organization. Recognizing that each country on its own would have little chance of attracting

¹⁴ M. Tlili, 'Arab Democracy: A Possible Dream?', *World Policy Journal*, Vol. 18, No. 3, 2001, pp. 47-48.

¹⁵ African Union Commission (AUC) *The minimum integration program*, AUC, Addis Ababa, 2009.

¹⁶ R.J. Barro 'Democracy and Growth', *Journal of Economic Growth*, Vol:1, No:1, 1996, pp. 1- 2.

adequate financial transfers and the technology needed for increased economic development justified the need for advancing integration.¹⁷

Africa has, since then, taken various steps towards enhancing the process of economic and political integration on the continent. Schuster notes that in the 1970s, there was a resurgence of regionalism which paved way for integration. Regional economic groupings were formed in Africa to enhance economic development on the continent.¹⁸ Contrary to the hopes and aspirations of these sub-regional groupings, political instability engulfed the continent thereafter. On this note, Deeb notes that these impeded the attainment of the objectives of the economic groupings.¹⁹ As a result, the focus of some of these economic groupings was therefore redirected to the enforcement and maintenance of peace in their respective sub regions.

The 1977 Kinshasa Declaration, provided for the successive establishment of the African Economic Community (AEC). This declaration helped to reshape focus and direct the means of African states to the core value of promoting integration in Africa. One important issue to note according to Tissières and Jager is that, by this time, most states in particular, in sub Saharan Africa had gone through a phase of conflict or had been associated with conflict.²⁰ Conflicts therefore diverted attention and there was need to resuscitate the integration agenda.

With the help of the AEC, Feaver and Wilson note that the then Organization of African Unity, drafted the 1980 Lagos Plan of Action, aimed at establishing a more versatile African Economic

¹⁷ African Union Commission (AUC) 2009, *ibid*.

¹⁸ L. Schuster, 'The realities of a new asylum paradigm', COMPAS Working Paper 20, Oxford: University of Oxford, 2005, p.45

¹⁹ M. Deeb, 'Inter-Maghribi Relations since 1969: A Study of the Modalities of Unions and Mergers', *Middle East Journal*, Vol. 43, No. 1, 1989, pp. 20-33

²⁰ H. Tissières and M. Jager, 'Maghreb: Sub-Saharan Connections', *Research in African Literatures*, Vol. 33, No. 3, 2002, pp. 32-34.

Community.²¹ The subsequent Abuja Treaty, which was signed in 1991 and operationalized in 1994, in its Resolution number CM/Res.464 (XXVI) of the OAU Council of Ministers, called for the division of the continent into five sub-regional areas namely; North Africa, West Africa, South Africa, East Africa and Central Africa. The ultimate result would be an economic union with a common currency, full mobility of factors of production and free trade among all 53 African countries.

In line with decision No. 1 of the Banjul Summit in July 2006, the African Union Commission officially recognizes eight RECs. The eight recognized RECs are considered as building blocs for sub-regional integration. They include; The Arab Maghreb Union (AMU), The Community of Sahel-Saharan States (CEN-SAD), The Common Market for Eastern and Southern Africa (COMESA), The East African Community (EAC), The Economic Community of Central African States (ECCAS), The Economic Community of West African States (ECOWAS), The Intergovernmental Authority on Development (IGAD), and The Southern African Development Community (SADC).²²

Integration in North Africa

The history of regional integration in Africa demonstrates that the reasons or objectives for integrating have been evolving over time. Ghiles argues that these, have shifted from the initial focus on the political decolonization of Africa to the current emphasis on socio-economic

²¹ D Feaver, and K. Wilson, *Preferential trade agreements and their implications for customs services*, Working Paper no. 05-03, Zayed University, Dubai, 2005, p.63.

²² Faruk, A.; Kamel, M., and Véganzonès-Varoudakis, M. A, *Governance and Private Investment in the Middle East and North Africa*, *World Bank Policy Research Working Paper* 3934, 2006.

integration in the post independence era for stronger bargaining base in global fora and for mutual benefit in the form of accelerated growth and development.²³

The Maghreb countries represent relatively small, fragmented markets, whose best chance for development lies in openness and integration. Easterly notes that it was because of recognizing the importance of socio-economic integration to promote intraregional trade and accelerating development, that African leaders established the African Economic Community. The overriding objective of the community is to show that integration remains the key for overcoming economic fragmentation, promoting economic diversification, and building cross-border links among African states.²⁴ The founding treaty of African Economic Community includes numerous ancillary protocols on trade, customs, special treatment for certain countries, popular participation, dispute settlement, and sectoral and infrastructure development. Since it was established, most regional economic communities have framed their establishing treaties utilizing this framework.

Segal observes that North Africa used to host only the Arab Maghreb Union (AMU) until the Community of Sahel-Saharan States (CEN-SAD) emerged. The membership of CEN-SAD straddles countries from other RECs and sub-regions.²⁵ In conclusion Walkenhost notes that except for the Sahrawi Arab Democratic Republic, all African Union member states are parties.

²³ F. Ghiles, 'The Imperatives Pushing North Africa Towards Unity', *Middle East International*, London, 1998, p.331.

²⁴ W. Easterly, and R. Levine, *Africa's Growth Tragedy*, 1997, op, cit.

²⁵ A. Segal, 'North Africa's Role in World Politics, North Africa: Regional Tensions and Strategic Concerns' R. B. Parker Source, *Africa Today*, Vol. 36, No. 3, *Shari'a Law and Strife in the Sudan: Is Peace Possible?*, 1989, p. 90

Eritrea has not yet signed the Abuja Treaty; Djibouti, Madagascar and Somalia have signed but not yet ratified.²⁶

The Arab Maghreb Union is modeled on the same framework as other regional blocks. In comparison, Kamel et al argue that attempts to create a common economic zone amongst the Arab states were actually centered on the League of Arab States (LAS).²⁷ Fosu adds that the LAS founding treaty enshrines the goal of closer economic cooperation as the main driving force for integration.²⁸

Among Maghreb states effort for integration are varied and numerous. According to Fosu early attempts to pursue closer economic cooperation went nowhere.²⁹ For instance, Fosu notes that in 1950, the Treaty for Joint Defence and Economic Cooperation (TJDEC) called for closer economic cooperation and it's noble cause led to the establishment of the Arab Economic Council (AEC). In addition, some practical steps were taken as demonstrated through the Agreement on Trade Facilitation and Regulating Transit Trade (ATFRTT) of 1953, but all these efforts remained without much consequence and, according to Kamel, were largely ineffective in driving the states towards an integration unit.³⁰

In comparison, Scully argues that although the 1957 Agreement on Arab Economic Unity (AAEU) had called for the establishment of a complete economic union including the free

²⁶ P. Walkenhost, *Compensating lost revenue in regional trade agreements*, International Trade Department, Trade Note no. 28, World Bank, Washington, , 2006, p. 64.

²⁷ F. A.Kamel, and V. Varoudakis, 'Governance and Private Investment in the Middle East and North Africa', 2006, op, cit.

²⁸ A. K. Fosu, 'Political Instability and Economic Growth in Developing Economies: Some Specification Empirics', *Economics Letters*, Vol:70, No:2, 2001, pp. 289-294.

²⁹ *ibid*

³⁰ Faruk, A.Kamel, *ibid*

movement of labor and capital among Arab states.³¹ It met the same fate as its predecessors, he adds that unlike LAS, AAEU served as a precursor to the Arab Common Market (ACM) Agreement of 1964, which for the first time endorsed a detailed schedule for trade liberalization amongst its four signatories (Egypt, Syria, Iraq and Jordan). In this arrangement, tariff barriers were meant to be lowered progressively, and eventually leading to the full liberalization of agricultural trade in 1969 and of manufactured goods in 1974. In addition, a common external tariff was supposed to be established within a period not exceeding five years.

Mustapha notes that the ACM was riddled with exceptions enabling the extension of transition periods and allowed for little real progress.³² Regional disagreements and conflict also meant that no new members joined the ACM and the project was ultimately shelved in 1972. Following the failure of the ACM, nineteen Arab countries adopted a new Agreement on Facilitation and Development of Trade (AFDT) in 1981, aimed at establishing a customs union. However, while this was an improvement on previous agreements, the AFDT remained flawed, the reasons explaining this are attributed to lack of a binding commitment to its terms and a timetable for implementation which was captured by special interests' effects in different countries.

Given the failure of regional economic and trade integration, Huntington argues that Arab countries began to focus greater attention on sub regional cooperation throughout the 1980s.³³ This tendency spurred the creation of the Gulf Cooperation Council (GCC) in 1981 as well as the Arab Maghreb Union (AMU) through the Marakech Treaty and Arab Cooperation Council

³¹ G. W. Scully, 'The Institutional Framework and Economic Development, *Journal of Political Economy*', Vol:96, No:3, 1988, pp. 652-662.

³² M. Tlili, *Arab Democracy: A Possible Dream?* op, cit.

³³ S. P, Huntington, 'Political Order in Changing Societies', New Haven, CT: Yale University Press, 1968, p. 15.

(ACC) in 1989. ACC proved to be a short lived venture as it collapsed soon after it was founded. Segal notes that Arab divisions in the late 1980s and early 1990s did not allow for a return to the regional agenda under the auspices of the LAS.³⁴

Korany notes that by the mid 1990s economic globalization, a proliferation of regional trade agreements seemed to necessitate a coordinated response by the Arab states.³⁵ This led to the adoption of an executive programme at the Cairo Arab Summit of 1987. The main aim of the programme was to establish a common Free Trade Area by late 1997 which eventually was hoped, would lead to the creation of the Greater Arab Free Trade Area (GAFTA) in 2005.

Arab Maghreb Union

The term Maghreb, is derived from Arabic word which means the West. Often Maghreb is used to generally denote the three states of northwestern Africa that came under French sway during the colonial era, the states include Algeria, Morocco, and Tunisia.³⁶ Specifically, the name Maghreb is commonly associated to Morocco, due to it is west bound geographical location in North Africa. The Maghreb is home to a population of ninety million people, with about half the population being below the age of twenty five and a third of which are under the age of fifteen.³⁷ Two thirds of the Maghreb's population resides in and around cities.

According to Wright, the term Maghreb stresses both the popular attachment to the Arab-Muslim culture and an identity marked by its proximity to Western Europe. In addition, it distinguishes

³⁴ A. Segal, 'North Africa's Role in World Politics', op, cit.

³⁵ B, Korany, "The Arab World and the New Balance of Power in the New Middle East," in Hudson (ed.), 1999, pp. 35-59.

³⁶ P. Robson, 'The Economics of International Integration', London, 1987, pp.34-36

³⁷ Arab Federation, 'Economic and Political Weekly', Vol. 5, No. 46,1970, p. 1831.

the Maghreb from Machreq, which means the East in Arabic, without denying its Arab character; it implies both solidarity with and distinctiveness within the Arab world.³⁸

Bush and Seddon argue that the idea of North African unity was initially born as a reaction to the French control over the three countries of the Maghreb.³⁹ Before becoming a constructive idea, it manifested itself mainly as a defence reflex, as the sum of a triple common feeling of French domination. Damis notes that while the concept emphasizes the benefits of regional economic cooperation, it also has diplomatic and political significance.⁴⁰ This significance draws from the fact that the notion of unity in its founding concept draws upon cultural and historical affinities in a region where pre-colonial borders were vague. In connection, current discussions envisage a common market and freer flow of regional capital and labor.

Kaufman argues that the idea of regional cooperation between the Maghreb states has deep roots.⁴¹ He adds that the first Maghreb Unity Congress was held in 1958. In 1964 the Maghreb countries established a “Comité Permanent Consultatif du Maghreb” (CPCM).

The AMU has no relations with the African Economic Community (AEC) and has not yet signed the Protocol on Relations with the AEC. Tlili notes that it has, however, been designated as a pillar of the AEC.⁴² The first Conference of Maghreb Economic Ministers in Tunis in 1964 established the Conseil Permanent Consultatif du Maghreb (CPCM) between Algeria, Libya,

³⁸ Stephen Wright, 'Maghrib A Region Divided', in *Africa Contemporary Record*, London, 1985, pp. 89-94.

³⁹ R. Bush and D. Seddon, 'North Africa in Africa', op, cit

⁴⁰ John Damis, 'Prospects for Unity/Disunity in North Africa', in *American Arab Affairs* (Washington, D.C.), 6, 1983, p. 39.

⁴¹ D. Kaufmann, 'Myths and Realities of Governance and Corruption', *The World Economic Forum. Global Competitiveness Report 2005-2006*, pp. 81-98.

⁴² M. Tlili, *Arab Democracy: A Possible Dream?* Op, cit

Morocco, and Tunisia, to coordinate and harmonize the development plans of the four countries as well as inter regional trade and relations with the European Union.

However, Chiumya notes that for a number of reasons, the plans never came to fruition.⁴³ It was not until the late 1980s that new impetus began to bring the parties together again. The first Maghreb Summit of 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. On February 17, 1989 in Marrakech, the Treaty establishing the AMU was signed by the Heads of State of the five countries including Mauritania.

Ravenhill argues that the AMU aims to safeguard the region's economic interests, foster and promote economic and cultural co-operation, and intensify mutual commercial exchanges as a precursor for integration and the creation of a North African Common Market also referred to as Maghreb Economic Space.⁴⁴ Common defense and non interference in the domestic affairs of the partners are also key aspects of the AMU Treaty. The Treaty highlights the broad economic strategy as: the development of agriculture, industry, commerce, food security, and the setting up of joint projects and general economic cooperation programs. It also provides the possibility for other Arab and African countries to join the Union at a later stage.

Limongi argues that regional cooperation was made possible by the reconciliation of Tunisia and Libya in 1987 and the re-establishment of diplomatic relations between Algeria and Morocco in

⁴³ C. C. N. Chiumya, *Regional Trade Agreements: an African Perspective of Challenges for Customs Policies and Future Strategies*, op, cit.

⁴⁴ J. Ravenhill, in Ralph I. Onwuka and Amadu Sesay (eds.), *The Future of Regionalism in Africa*, London, 1985, pp. 204-24.

1988.⁴⁵ This thaw in regional relations led to the signing of the Treaty establishing the Arab Maghreb Union in February 1989 by Algeria, Libya, Mauritania, Morocco and Tunisia. While the Treaty sought to strengthen all economic and political ties between the Maghreb states it established an ambitious institutional structure and timetable for economic integration.

The Charter foresaw the establishment of a consultative assembly in Algiers as well as a regional judicial authority in Nouakchott. It also established a Maghreb University in Tripoli and a General Secretariat in Rabat. A customs union was supposed to see the light of the day in 1995, followed by the establishment of a common market in 2000. Jesus argues that in the end, neither happened due to a revival of conflict between the Maghreb states; particularly a deepening in Moroccan and Algerian differences over the Western Sahara and between Libya and the other members over the Lockerbie incident.⁴⁶

According to Henry and Springborg, today, the world nations are interrelated to a greater extent.⁴⁷ There is a trend towards more uniform political and security progress. The Arab Maghreb does not escape this trend. The prosperity desired by the peoples of North Africa is in large part dependent on the formation of the Maghreb. The foundations for such a regional group rest on various physical similarities, on necessity, and on a common will and purpose. However, as mentioned above, AMU faces various challenges, at different levels and of different magnitudes.

⁴⁵ P. Limongi, 'Political Regimes and Economic Growth', *Journal of Economic Perspectives*, Vol:7, No:3, 1993, pp.51-69.

⁴⁶ C. E. Jesus, 'The Co-operation between the European Community and the Maghreb', Conference on North Africa and the E.C., University of London, 1989, p.5.

⁴⁷ C. Henry and R. Springborg, 'Globalization and the Politics of Development in the Middle East' 2001, p.17.

During the 1980s Algeria was pursuing a project of cooperation among its neighbors under the banner of the Greater Maghreb.⁴⁸ However the riots of workers struck a blow to Algeria's claim to regional leadership, but at the same time they released a current of reform that may ultimately strengthen the country. The United States and its European allies have an interest both in supporting Algeria's democratization and in regional cooperation. The United States has privileged its relations with Morocco and Tunisia in the past because they were seen as pro-Western, whereas Algeria was not.

Seabury argues that North Africa is often seen and treated differently from sub-Saharan Africa.⁴⁹ Arab Africa has historically been seen as important geo-strategically for imperial interests and as providing a bridge or a link to countries in sub-Saharan Africa or in the near and Middle East. This view of North Africa has served to try and separate it from sub-Saharan Africa and to undermine projects of pan-Africanism. Hertog argues that Algeria and Morocco are the core of any Maghreb security threats, both are consumed by the challenge of the Islamic Salvation Front (FIS), as an electoral force and an armed insurgent movement.⁵⁰ Moreover, the military's return to the forefront of Algerian politics has stiffened the government's posture on the Western Sahara issue, a major variable in the prospects for Maghreb unity since the 1970s.

Feaver notes that since 1990, the five countries have signed more than 30 multilateral agreements covering diverse economic, social, and cultural areas.⁵¹ While member countries

⁴⁸ *ibid*

⁴⁹ P. Seabury, 'The League of Arab States: Debacle of A Regional Arrangement' *International Organization*, Vol:3, No:4, 1949, p.633.

⁵⁰ S. Hertog, 'The GCC and Arab Economic Integration: A New Paradigm' Vol:14, No:1 *Middle East Policy* Vol:52, 2001, p.53.

⁵¹ Feaver, D & Wilson, K , *Preferential trade agreements and their implications for customs services*, 2005, pp. 53-59.

have ratified varying numbers of these agreements, only five have been ratified by all Union members. These include agreements on trade and tariffs covering all industrial products, trade in agricultural products, investment guarantees and avoidance of double taxation.

The AMU has not met at the level of Heads of State since April 1994, and has in effect been paralyzed by the dispute over the status of Western Sahara, annexed by Morocco in 1975, but claimed as an independent state by the Polisario Front with Algerian backing.⁵² AMU has no working defense or conflict resolution structures. Its treaty states in Article 14 any act of aggression against any of the member countries will be considered as an act of aggression against the other member countries, but provides no definition of what would constitute aggression. Common defense and non-interference in the domestic affairs of the partners are important aspects of the Treaty but have not been translated into practice.⁵³ While disagreements over issues such as the Western Sahara still handicap cohesive regional security arrangements, the member states have been able to aid one another in response to natural disasters. These conflicts meant that AMU remained by and large stalemated until very recently.⁵⁴ Since 2007, AMU has again seen a moderate revival and meetings are being held amongst its member states on various issues of relevance to the region.

Moreover, some progress is being made with the long abandoned project of establishing a Maghreb Investment and Foreign Trade Bank (BMICE) in Tunisia. Several countries have now deposited their initial tranches with the Bank and in late 2009 AMU foreign ministers nominated

⁵² John Ravenhill, in Ralph I. Onwuka and Amadu Sesay (eds.), *The Future of Regionalism in Africa*, op. cit.

⁵³ Ray Bush and David Seddon, *North Africa in Africa*, op. cit.

⁵⁴ S. Wright, 'Maghrib A Region Divided',

a Tunisian General Manager to the Bank for a four-year term.⁵⁵ Finally, following the twentieth anniversary of the organisation, deliberations by the AMU Secretariat have been started concerning the future of economic integration in the Maghreb region.

Nevertheless, regional integration has been broadly perceived as having produced few concrete results despite considerable political rhetoric and protracted efforts by governments, institutions, and other players. One common criticism is that unlike economic integration in Europe regional integration in Africa has done little to accelerate growth or even regional trade.

Conclusion

The Arab Maghreb Union has gone through arguably rough phases of attempting to integrate. Although integration can offer many advantages, it emerges that the differences among states are the main reasons prohibiting integration. The following chapter will examine in detail the challenges of integration among the Arab Maghreb member states. Particular focus will be to identify external and internal threats, their causes and the impact they have on the Arab Maghreb integration.

⁵⁵ M. Tlili, Arab Democracy: A Possible Dream? op, cit.

CHAPTER THREE: CHALLENGES IN THE ARAB MAGHREB UNION

Introduction

Chapter two examined the historical background to integration in Africa generally and in Arab Maghreb Union in particular. The chapter traced the genesis of integration in Africa back to the mid twentieth century and examined its development through the century up to 1989 when the Arab Maghreb Union was formed. In the process, it identified the three phases through which integration evolved. The chapter also examined the development of Arab Maghreb Union and early attempts by Maghreb states to integrate. Chapter three examines the challenges facing the integration of Arab Maghreb Union; it opens with a common approach, arguing that integration in AMU is lagging behind schedule. Therefore, the chapter analyzes the general challenges of integration and then narrows down to specific challenges in the AMU. As early observed, the challenges identified include, interstate competition, Western Sahara conflict, political state interest specifically between leaders and terrorism.

Background to challenges in the Arab Maghreb Union

Barro argues that there are numerous challenges and equally numerous prospects for Regional Economic Communities in Africa.¹ The challenges facing AMU member states can be classified into external and internal challenges. External challenges generally emanate from colonial occupation while internal challenges emanate from leadership

¹ R. J. Barro, 'Democracy and Growth', *Journal of Economic Growth*, Vol:1, No:1, 1996, p. 1- 2.

differences.² The need to review the challenges will lay bear the gaps in this research and set the course for further analysis.

Any attempt to examine the challenges facing AMU must therefore start with a comparison between AMU and other REC's in Africa. Here, it should be mentioned that, geographical boundaries upon which REC's are established were determined by colonial occupation. Considering that specific regions were occupied by particular European states, qualifies African states to be demarcated with easy. This criteria was however not possible to be applied among Maghreb states. Easterly notes that considering that Spain colonized North Morocco, France colonized South Morocco, Italy colonized Libya while Tunisia, Algeria and Mauritania were colonized France, presents a challenge to apply above mentioned criteria for REC's.³

Williams argues that this disparity in colonial occupation is unique and perhaps a link that accounts for failure of integration.⁴ The link between the challenges and colonial occupation is to date witnessed through border disputes between states. Chief among them being the dispute over Western Sahara state, which on one hand pits Algeria against Morocco and on the other hand Tunisia, Mauritania and Libya. Barro concludes that the Western Sahara conflict is arguably the most dominant challenge facing Maghreb member states.⁵

² *ibid*

³ W. Easterly, and R. Levine, 'Africa's Growth Tragedy: Policies and Ethnic Divisions', *Quarterly Journal of Economics*, Vol:112, No:4, 1996, p. 1203.

⁴ P. Williams, "The responsibility to protect, Norm Localisation and African international Society" en *Global Responsibility to Protect*, vol 1:3, 2009, pp 392-416.

⁵ R. J. Barro, Democracy and Growth, *Journal of Economic Growth*, op, cit.

Moreover, since Arab Maghreb Union was constituted via the 1989 treaty, it has faced numerous internal challenges. The internal challenges cast a dark shade on the values and objectives upon which Maghreb Union was founded. Korany argues that the challenges emanate from political differences among leaders.⁶ The following section will review and trace the challenges among Arab Maghreb Union states.

Mazrui notes that contrary to accepted wisdom, regionalism and integration in Africa is viewed as nothing more or less than political alliances or bloc formations.⁷ Integration relationships are cemented through signing of a treaty. A treaty between states may hold different titles such as treaties of union, federation, mutual defense, friendship, cooperation, brotherhood or fraternity. In this sense, treaties protect the independence of each member state within a system of states by ensuring that no one state becomes too strong and thus threatens the sovereignty or independence of others.⁸

A treaty entailing integration involves the coming together of two or more states, normally through reciprocal preferential agreements, based on one or more of the following cooperation arrangements.⁹ Preferential Trade Area (PTA) or Agreement, where member states charge lower tariffs to imports produced by fellow member countries than they do for non-members; Free Trade Area (FTA), a PTA without any tariffs on fellow members' goods; Customs Union, an FTA using the same or common

⁶ B. Korany, "The Arab World and the New Balance of Power in the New Middle East," in Hudson (ed.), 1999, pp. 35-39.

¹⁰⁴ Ali Mazrui, 'Towards a Pax Africana', University of Chicago Press, 2007, Chicago, pp.35-40

⁸ Vienna Convention on the Law of Treaties, Article 18, p. 8.

⁹ *ibid*

tariffs on imports from non-members; Common Market, a customs union with free movement of the factors of production; Economic Community, a single currency common market or monetary union in which fiscal and monetary policies are unified.¹⁰

Although regional integration can foster competition, increase access to a wider market, diversify investment production, socio-economic political stability and bargaining power for the countries involved. Fosu notes that, it can also be complicated by perceived or real gains or losses among members that may lead to disputes and a sense of “loss” of national sovereignty.¹¹ When this is the case, the process of integration is challenged by factors that breed into challenges within the region. A report by the World Bank said that integration in most parts of the globe is not always oriented towards positive developments.¹² The report notes that regional integration can be complicated by perceived or real gains or losses among the member states. This can lead to disputes and a sense of loss of national sovereignty among some states.

In this chapter, this understanding forms the basis for analyzing the challenges of integration in the AMU. The following section identifies main challenges in the AMU. This section will examine both external and internal challenges.

¹⁰ Ibid

¹¹ A. K. Fosu, ‘Political Instability and Economic Growth in Developing Economies: Some Specification Empirics’, *Economics Letters*, 70 (2), 2001, p. 289.

¹² World Bank, *Global Economic Prospects: economic implications of remittances and migration*, Washington, DC: The World Bank, 2006, p.34.

Internal Challenges: Overlapping Membership

Overlapping interest's implies that a state belongs to more than one REC or an agency. Landsberg argues that overlapping interests hinders regional integration by creating a complex entanglement of political commitments and institutional requirements.¹³ In addition, multiple and overlapping memberships in AMU have created a complicated web of competing commitments which when combined with different rules result in high costs of trade between African countries, in effect undermining integration. Moreover, Landsberg adds that political and strategic reasons are cited as the overriding motivation for this multiplicity of memberships among AMU states.¹⁴ Multiple and overlapping memberships makes regional integration costly, inefficient and ineffective.

According to Mazrui, RECs adopt different cooperation models and policies, thus creating dilemmas for countries leading to delays in implementation of region wide program objectives.¹⁵ Complexities arise in the legal and financial structuring of cross border regional projects where participating countries belong to different RECs with different legal systems. For instance, in AMU, Libya is a member to AMU and CEN CAD, while Mauritania is a member to AMU and ECOWAS and UEMAO (Union Economique et Monetaire Ouest Africana)

Countries seek deliberate membership to several groupings with the hope of maximizing the benefits of integration and minimizing losses by spreading risks. In the case of

¹³ C. Landberg, "The Fifth Wave of Pan-Africanism" in Adebajo Adebeye and Rashid, Ismail: *West' Security Challenges-Building Peace in a Troubled Region* Boulder: Lynne Rienner, 2004, pp.23-26.

¹⁴ *ibid*

¹⁵ Ali Mazrui, 'Towards a Paz Africana', *op, cit.*

economically weaker countries like Mauritania, this reason may be a strong incentive for aligning to several integration blocs.

Fosu argues that historically Arab Maghreb states are seen as important geo strategically partners for imperial interests and provide a bridge or a link to countries in sub Saharan Africa or in the near and Middle East.¹⁶ This view of North Africa's difference has served to try and separate it from sub-Saharan Africa and to undermine projects of pan-Africanism.

Przeworski observes that majority of North African countries are members of one or more regional or sub regional arrangements that seek to promote economic coordination, cooperation or integration among the member countries concerned.¹⁷ While this may sound ideally global, it is a challenge in the sense that, the various regional economic blocs, and indeed the individual countries that comprise their membership, are at varying stages of development and implementation of their regional arrangements.

The REC's scope covers various socio economic, developmental and political considerations, including the promotion of intra-regional trade, socio-economic policy coordination, and management or development of shared physical infrastructure and the environment. Membership to more than one REC will arguably divert loyalty of states.

¹⁶ A.K. Fosu, 'Democracy and Growth in Africa: Implications of Increasing Electoral Competitiveness', *Economics Letters*, Vol:100, 2006, pp. 442-444.

¹⁷ A. F Przeworski. Limongi, 'Political Regimes and Economic Growth', *Journal of Economic Perspectives*, Vol:7, No:3, 1993, p.59.

Many African countries belong to several groupings or sub groupings that sometimes compete, conflict or overlap amongst themselves rather than complement each other. This adds to the burden of harmonization and coordination, and is wasteful duplication in view of constrained resources. Seabury argues that North Africa is often seen as different and separate from sub-Saharan Africa.¹⁸

The many regional economic communities with overlapping memberships are perceived as wasting effort and resources. Fawcett argues that having multiple groups adds to the work of harmonization and coordination and complicates the eventual fusion of regional economic communities into the African Union.¹⁹ This has prompted the need to rationalize integration. It has been suggested that countries would deliberately seek membership to several groupings with the hope of maximizing the benefits of integration and minimizing losses by spreading risks. In the case of economically weaker countries, Fawcett notes that this reason may be a strong incentive for aligning to several integration blocs.²⁰ The lack of progress or success of African integration schemes has been attributed in part to conflicting interests brought about by overlapping memberships in several RECs.

Brown argues that multiple and overlapping memberships makes regional integration costly, inefficient and ineffective.²¹ It complicates Africa's trade and economic relations

¹⁸ P. Seabury, 'The League of Arab States: Debacle of A Regional Arrangement' *International Organization*, Vol:3, No:4, 1949, p.633.

¹⁹ L. Fawcett, "Alliances, Cooperation and Regionalism in the Middle East," in Fawcett, L., 2005, pp. 173-193.

²⁰ Ibid

²¹ C. L Brown, 'International Politics in the Middle East. Old Rules, Dangerous Game', Princeton: Princeton University Press, 1984, p. 535

with the rest of the world, as for example evidenced in the Economic Partnership Agreement negotiations with the European Union.

Western Sahara conflict

The dispute over the Western Sahara is perhaps the single most important challenge facing AMU. A Policy Research Report by the United Nations Economic Commission for Africa notes that the origin of this conflict was Spain's 1974 decision to relinquish control over the colony then known as the Spanish Sahara.²² The report adds that Spain's move resuscitated hostilities that had first erupted during the Algeria-Morocco border war of 1963. Morocco considered the territories of Saguia el-Hamra and Rio de Oro as its own southern provinces that were appropriated by Spain during the colonial scramble for Africa.

Algeria in contest took the position that any colony was entitled to self determination, and early in 1975 it began to support a Sahrawi nationalist movement called the Polisario Front.²³ When Morocco declared its intention to liberate the colony via a peaceful occupation, The Algerian backed Polisario Front refused to accept this arrangement, the war for the Western Sahara began, leading to a break in diplomatic relations between Algiers and Rabat.

Binder argues that Spain's failure to hold a referendum on self determination in its former Saharan colony, as called for by various U.N. General Assembly resolutions from 1966 to

²² ECA , *Assessing Regional Integration in Africa*, UNECA Policy Research Report, UN Economic Commission for Africa, Addis Ababa, 2004, p.53

²³ *ibid*

1973, led to new regional tensions in the Maghreb.²⁴ Under the terms of the Madrid accords of November 1975, Spain ceded the Western Sahara to Mauritania and Morocco, and it was the latter's occupation of the territory over which it claimed historic sovereignty that resulted in strained relations with Algeria. Brown argues that the immediate proclamation of the Sahrawi Arab Democratic Republic (S.A.D.R.) by the Polisario Front was followed by Algeria's recognition of the new state, and this incidence led Morocco to break off diplomatic relations with its eastern neighbor.²⁵

The Western Sahara conflict involves a liberation movement seeking an independent state and not a colonial power. For a long time, the Arab League saw the Western Sahara conflict as a useless conflict between two brother countries. Binder argues that some Arabs perceived it as an attack on the Moroccan monarchy by a revolutionary regime. For others, it was a conflict that could worsen inter-Arab tensions.²⁶

Aarts argues that the conflict between Morocco and Algeria over sovereignty of the former Spanish colony prevents meaningful regional security coordination, stifles economic growth, and prevents intra-regional trade from developing.²⁷ Geopolitical limitations are currently complicated by the persistent conflict in Western Sahara, which has worked against Maghreb stability since 1975.

²⁴ L. Binder, "The Middle East as a Subordinate International System," *World Politics*, Vol:10, No:3, 1958, pp. 408-419.

²⁵ C. L Brown, *International Politics in the Middle East. Old Rules, Dangerous Game*, op, cit.

²⁶ L. Binder, op. cit.

²⁷ P. Aarts, "The Middle East: a Region Without Regionalism or the End of Exceptionalism?," *Third World Quarterly* 20:5, 1999, p.911.

Interstate competitions

Since independence, Fawcett argues that North Africa was built around two “enemy couples”, Algeria-Morocco and Libya-Tunisia, who redefined their relations according to the context.²⁸ In the course of the past three decades, Fawcett adds that the facts refuted the official discourse on North African identity and solidarity. Algerians supported the Saharawi people during the Western Sahara conflict since 1976 while Libya supported Tunisian political opponents in the Gafsa attack, in 1980. Morocco which was suspecting Algerians to be behind the Marrakech attack in the summer of 1994 accused Algeria of supporting Algerian islamists.

Zineldin argues that regional integration among AMU member states has fostered competition between member states and other regional organizations which belong to individual states. The competition emanates from the need for recognition of Western Sahara state. On one hand are states that support Western Sahara’s case for self independent, and on the other are states that are opposed by claim of Western Sahara for self independent.

This claim renders the cause for regional integration challenges and demonstrates the uniqueness of Arab Maghreb Union. The Western Sahara region is arguably an external challenge created through the occupation of Spain in the region. Although the region was carved out of Morocco, after the settlers left, there was an agreement that the region was

²⁸ L. Fawcett, (ed.), ‘International Relations in the Middle East’, Oxford: Oxford University Press, 2005, pp. 54-58.

to be shared between Morocco and Mauritania.²⁹ Later Morocco's claim to have the whole region revoked sentiments of rebellion from other states. In this way, the other states sought means to ensure that Morocco does not get the region.

The dynamics underlying the Western Sahara conflict is arguably the pot where both state and individual political interests converge. State interests can be argued from the perspective of balance of power and territorial acquisition, where by, Morocco which already is regarded as a dominant state in the region wants to extend its rule by acquiring the Western Sahara region. The other states are endowed to rebel to balance power with Morocco. Rodrick argues that any attempt to balance power will automatically create competition between states, states that deem the competition to be unfavorable may attempt to cooperate with other states and end up in other regions.³⁰

Moreover, Zineldin argues that the Maghrib is a region in which two strong powers, Algeria and Morocco, have been vying with each other for regional dominance since their independence in the 1950s and 1960s.³¹ Libya, Tunisia, and Mauritania, all with common borders with these major powers, have had to find ways to protect their independence by making sure that neither power became strong enough to dominate the region. This attempt to balance power is confined within the limits of individual leadership interests.

²⁹ L. Fawcett, (ed.), 'International Relations in the Middle East', op. cit.

³⁰ D. Rodrik, 'Where Did All The Growth Go? External Shocks, Social Conflict, and Growth Collapses', *Journal of Economic Growth*, Vol:4, No:4, 1999, p. 385-412.

³¹ M. Zineldin, 'Globalisation and Economic Integration Among Arab Countries', (paper presented at the *Fourth Nordic Conference on Middle East Studies*, 1998, p77.

From far leadership rivalry may appear to be a negative development, but upon close analysis, Aixalá et al observe that if there were only Algeria and not Morocco, or Morocco and not Algeria, there could never have been a Maghrib.³² To have the Maghrib you need those two rival powers competing with each other in the region. Accordingly, the principal means used by the small states to preserve their political independence and territorial integrity has been to ally themselves alternatively to Algeria or to Morocco, and at times to each other, to weaken the stronger power, or strengthen the weaker power, or to strengthen themselves vis-a-vis a perceived threat from one of the two major powers.³³

Agrhout and Sutton, argue that the dominance of bureaucracies within Middle Eastern nations has historically prevented any great degree of economic growth. Paul is of the view and says that Governments in the Maghreb nations have traditionally only made economic reforms in areas where their power and control was not threatened in any way, meaning there has been little real economic progress.³⁴

Policy Challenges

Generally, the concept regional integration emphasizes the benefits of regional economic cooperation among states.³⁵ From afar, this concept appears to suggest that regional integration is limited to development, but upon close analysis it emerges that regional

³² J. Aixalá, and G. Fabro, 'Does the Impact of Institutional Quality on Economic Growth Depend on Initial Income Level?' *Economic Affairs*, Vol:28, No:3, 2008, p. 45-49.

³³ L. Fawcett, (ed.), 'International Relations in the Middle East', op, cit.

³⁴ S.Paul, 'The League of Arab States: Debacle of A Regional Arrangement' *International Organization* Vol:6, No:4, 1949p.638.

³⁵ J. Aixalá, and G. Fabro, op, cit.

integration has other implications of diplomatic and political significance. These two main issues are what will be discussed in this section as policy challenges.

Hertog argues that Algeria which is the core of any Maghreb construction, has been consumed by the challenge of the Islamic Salvation Front (FIS) First as an electoral force and then as an armed insurgent movement.³⁶ Moreover, the military's return to the forefront of Algerian politics has stiffened the government's posture on the Western Sahara issue, a major variable in the prospects for Maghrib unity since the 1970s.

Another policy challenge in the region, emerges from the founding treaty. Although the treaty confers power upon the summit to make decisions, they have neglected this role. In place the treaty can not be implemented without the commitment of the summit. In this sense lack of respect on fundamental issues set by the treaty, implies that other issues are not likely to be attained either. Most of the treaties forming Africa's Regional Economic Communities are sophisticated instruments, similar to those guiding economic integration in other regions.³⁷ These regional communities have well functioning secretariats, and they conduct frequent meetings at the summit, ministerial, and technical levels.

Domestic, regional and international financial and investment constraints have also hampered regional integration, which requires considerable resources to plan, coordinate,

³⁶ S. Hertog, 'The GCC and Arab Economic Integration: A New Paradigm' Vol:14, No:1, 2007. *Middle East Policy* Vol:52, p.53.

³⁷ ECA , *Assessing Regional Integration in Africa*, UNECA Policy Research Report, United Nations Economic Commission for Africa, op, cit.

implement, and monitor progress in its implementation.³⁸ There is low saving as a percentage of GDP, while foreign direct investment (FDI) remains elusive and eschew Africa.

Furthermore, Korany argues that official development assistance (ODA) has also been dwindling.³⁹ Lack of full private sector involvement at both planning and implementation stage has not elicited maximum deliberate input from this important sector, which usually has the financial resources and owns productive capacity. In most countries the private sector remains weak and is still not well organized.

Moreover, civil society involvement has also been wanting.⁴⁰ There is also a high degree of vulnerability to exogenous shocks, including heavy and unsustainable external debt burdens, , inadequate and erratic external resource inflows, adverse weather patterns, natural disasters, unfavorable terms of trade, currently witnessed through the ongoing oil price shocks affecting non oil exporting countries amidst declining primary commodity prices, while civil strife itself a result of abject poverty and other forms of socio-economic and political instability have also had their toll.

Personal Interest

Another hindrance to the successful economic integration of Arab states has stemmed from the narrow minded outlook of many politicians across the region. Zartman argues

³⁸ Ibid

³⁹ B. Korany, "The Arab World and the New Balance of Power in the New Middle East," in Hudson (ed.), 1999, op cit

⁴⁰ Ibid

that the socialist approach of the Algerian government hindered the developments made by the Arab Maghreb Union, with Algeria refusing to cooperate on any issues which might have impinged on its level of domestic economic control.⁴¹ Algeria refused to open up its financial sector to foreign investment and would not budge on issues of privatisation, making it difficult to institute political reform across all six member states.

Zartman, adds that even in nations where this socialist approach was absent,⁴² those governments who had manipulated nationalist loyalties in order to force citizens to accept sacrifices were unwilling to let go of restrictive protectionist policies that gave them almost unlimited economic control over domestic markets. This emphasis on nationalism has presented an enormous barrier for the regional initiative, as it subscribed to principles of neoliberalist market development as a tool for facilitating economic growth.

External Challenge to Integration in the Arab Maghreb Union

External challenges are conceptualized as issues that emanate from outside the region, often, external challenges are motivated by interests of Western and European states in Maghreb union. Abedini argues that, competing interests become challenges when they conflict, often the conflict emante from economic interest on resources.⁴³ As states compete to dominate economic front, they employ mechanisms that divide up states in the Maghreb. For instance, the European Union through Spain trades with Morocco bilaterally, Morocco is the single largest exporter of fish products to Spain while Spain

⁴¹ I. W. Zartman, 'The Elites of the Maghreb: A Review Article', *International Journal of Middle East Studies*, Vol. 6, No. 4, 1975, pp. 495-504.

⁴² I. W. Zartman, 'The Elites of the Maghreb', op. cit.

⁴³ J. Abedini and N. Périidy, 'The Greater Arab Free Trade Area (GAFTA): An Estimation of the Trade Effects, Canadian Economics Association' 1999,, p.542

imports fish to other Maghreb regions. The irony of this issue is that while Spain imports fish at zero rate, the same products are rated highly when they are sold back in addition, the fact that Morocco exports fish to Europe goes against the will of the establishing treaty that stipulates trade to be done at the regional level.

The other external challenge is that Western states often engage in internal politics of Maghreb states. Chan argues that, the United States for instance has been dominating mediation efforts in the Western Sahara conflict.⁴⁴ This proves a challenge considering that the region has potential to handle the Sahara conflict, albeit their has been minimal levels of achievements. The Western Sahara conflict is arguably the lee way through which Western states get hand to intervene in regional issues.

Of great relevance within the rationalization of RECs in Africa is the important role played by external partners, in particular the ongoing Economic Partnership Agreement (EPA) negotiations between AMU and European Union (EU).⁴⁵ This is because the countries in North Africa, trade predominantly with the European Union. Confusingly EPA negotiations configurations are not conterminous with existing RECs. This places further stress on an already delicate situation in which institutional capacities are already overstretched, and consequently threatens to divide the region even further. It also makes it difficult for constituent countries to agree on common negotiating positions.

⁴⁴ Chan K. and Gemayel E., Risk Instability and the Pattern of Foreign Direct Investment in the Middle East and North Africa Region, IMF Working Paper WP/04/139, August 2004, p. 14.

⁴⁵ R. J. Barro, Democracy and Growth, *Journal of Economic Growth*, op, cit.

Conclusion

The nexus between Western Sahara conflict and other internal challenges may broadly explain the reasons behind the failure of Arab Maghreb Union. Policy challenges are rooted in both external and internal challenges. This chapter has demonstrated that external challenges are rooted in colonial occupation and internal challenges can also be linked to differences emanating from colonial settlers. Both external and internal challenges have hence colluded to undermine the realization of Arab Maghreb Integration. There is need to study and understand the prevailing challenges in the AMU, the following chapter will therefore examine the case study for this research.

CHAPTER FOUR: EMPIRICAL FINDINGS OF THE ARAB MAGHREB UNION

The previous Chapter examined the various challenges that Arab Maghreb Union faces as propounded by scholars. Chapter four will utilize primary data to configure and study the prevailing challenges and future prospects in the Arab Maghreb Union. To achieve this, chapter four will utilize primary data collected through interviews, Focused Group Discussions (FGD) and unpublished documents.

Introduction

The Arab Maghreb Union was founded in 1989 by leaders of the five North African states namely, Libya, Tunisia, Algeria, Morocco and Mauritania. When it was formed, leaders projected that an integration of these five states will help to promote cooperation among the five member states. As a result, the Arab Maghreb Union was conceptualized as a starting point for economic, social and political integration among a group of states in the Maghreb region. These people have similar cultural, ethnic, social and economic backgrounds. Hence, the proponents of the idea of integration in the Maghreb envisioned a situation whereby, Maghreb (meaning West in Arabic) states would in future utilize their common themes to be self servicing amid increased globalization in the international system. As a result, in 1989 the five states named above signed a treaty that established the Arab Maghreb Union.

However, the vision identified above has not been achieved as stipulated under establishing treaty, the reasons explaining this failure are manifold. They range from ideological differences,

leaders rivalry and interstate competition at the individual and state level. This chapter will present the reasons as challenges to integration of the Arab Maghreb union. The chapter will further utilize objectives as explained in chapter one to pursue the answers to this research study. This research study will be sectioned into three parts, the first section will examine the views of officials from Maghreb states on the centrality of the founding treaty; incorporate their thoughts from interviews to trace the challenges to Arab Maghreb Union. The second section will examine internal challenges to the Arab Maghreb Union, these include political rivalry, security and economic issues and the third section will review external challenges that impact on the Arab Maghreb Union.

Section One: The Founding Treaty

Abu Kzam observed in an interview that the Arab Maghreb Union was established by heads of states of Arab Maghreb states, to form a tactical political front against the then prevailing conditions in the international arena, which were as a result of the end of the Cold War, but not a strategic plan to grow it so that it can serve economic and social interest of the region as mentioned in the establishing treaty.¹ In particular, Abu Kzam argues that, considering that the AMU was founded at the dawn of the end of the Cold War proves the fact that, its foundation was inspired by events in Europe. The Communist regime in Eastern Europe was collapsing and Western Europe was becoming stronger and there was need to secure the Arab Maghreb region from these developments in the region. Hence, for the regimes in the Arab Maghreb to withstand the ripple of communist failure, they felt that an integrated union would be the best strategy, and therefore they formed the Arab Maghreb Union.

¹ Prof. Ibrahim Abu Kzam, 11-05-2011, Director of Institute of Diplomacy and International Studies Tripoli.

The Arab Maghreb Union was hence born weak because the political will of the founding fathers was inspired not by prevailing needs of the people's ambitions in the region but by political ideologies emanating from the Cold War period. Integration demands adherence to two distinct formats, micro economic oriented integration which involves formal economic integration and macro regional political integration which is concerned with controlling conflicts. The founders of Arab Maghreb Union failed to align it to any of these formats. Therefore, this is arguably regarded as the genesis of failure.

Aldlew argues that, the Arab Maghreb Union was also born dead, since it did not have clear cut mandate that befit the integration envisioned.² He argues that, Arab Maghreb Union as constituted in the treaty does not fit bill of any integration formats identified above. Integration is founded to promote development of member states and should be free of obvious political intrigues, a condition that AMU fell short of.

Ideally, integration among Maghreb states was well suited to promote macro integration, but founding leaders assumed it to be micro oriented. Abu Kzam notes that,³ there was lack in identifying proper priorities and hence AMU started on the wrong foot. However, Abu Kzam argues that, failure to identify the right objectives was not absolute need for failure of the Union because even integrated blocks that were born with incompatible objectives like the United States of America, circumvented their position and become strong when the will of political leaders became strong and were more committed to integration. Abu Kzam further argues that,

² Dr. Brig. Amer Aldlew, General Director of the Custom Authority, Interview on 9th-05-2011

³ Prof. Ibrahim Abu Kzam, 11-05-2011, op. cit

the Maghreb Union should also have started with cultural, education, economic and social issues which are less contested before committing to promote issues that are central to state interests and hence are more contested.

One of the issues of contention and the main challenge to Arab Maghreb is the contention of the Western Sahara state. AL-Atrash observes that, the Arab Maghreb Union on request by Morocco refused to admit the Sahrawi Arab Democratic Republic (SADR) into the Union. This was momentous to the failure of the union.⁴ The Western Sahara state has been contested between Morocco who deem it to be part of its territory and Western Sahara people who are seeking self rule, as a result there is contention leading to a crisis, which should have been addressed first by the states prior to signing the treaty. In addition, AL-Atrash notes that, the establishing treaty did not stipulate any mechanism for solving this conflict among member states. The Western Sahara crisis was paramount to integration of states in the region, any attempted integration should have considered it central, thus by avoiding and ignoring to address it within the Arab Maghreb Union, was the start of failure of the Arab Maghreb Union.

Section Two: Internal Challenges to Arab Maghreb Union

Section two will examine internal challenges to Arab Maghreb Union, the challenges identified here are broadly classified into political rivalry, security and economic issues. The difference in ideologies can best be understood by considering that, in the awakening of the end of Cold War period, Algeria and Libya embraced communist ideologies, while Morocco and Tunisia adopted capitalist ideologies. Consolidating these two sets of ideologies was vital, yet Arab Maghreb

⁴ Dr. Ahmed A. AL-Atrash, First Assistant Advisor to the National Security of Libya, Interview conducted on 10-05-2011

member states did not take it into consideration to solve these differences. This affected integration efforts among the member states as the two set of states had conflicting visions of economic prosperity as propounded by the two ideologies. The need for integration demands that states should share a common vision of ideologies. In the attempts that were tried, Abu Kzam argues that Algeria was reluctant to reform amid the collapse of Communist regime.⁵

When the Arab Maghreb Union was founded, three areas were identified which were regarded as key to the area, these are; political, security, and economic. After the Arab Maghreb Union was established, a number of challenges emanated, generally, these can be conceptualized into the following.

Political Rivalry

Political rivalry in the Arab Maghreb states is established at two levels, at the individual level and at the state level. Rivalry at the individual level is found among state leaders who deem to overlook their counterparts in other countries within the Arab Maghreb Union. It should be noted however that, leadership rivalry is found among Libya, Tunisia, Algeria and Morocco leadership.⁶ Mauritania leader is dormant in this competition perhaps because of the weak economic stature of the country when compared with the others in the region. Political rivalry at the state level is argued at the point of geo-strategic positioning, human capital and ideological differences.

Abdulsallam argues that, the political rivalry among Arab Maghreb states was put to test when member states were to select a mutual policy in the common concerns issues during the second

⁵ Prof. Ibrahim Abu Kzam, 11-05-2011, op, cit

⁶ Maghreb Matters, op, cit.

Gulf war in 1990.⁷ The second Gulf War showed the difficulties among the member states to reach a united position over issues that affected the state interest of the region. The Maghreb position excreted five different opinions on the second Gulf war. Morocco voted to the benefit of the Arab league which condemned Iraq's invasion of Kuwait. The leaders argued that, defending the legitimacy of Kuwait was also defending on Arab Gulf states that are weak and may be invaded by their neighbors. However, Abdulsalaam argues that, the reason Morocco took this stand was to ensure a continued Monarchy reign in Kuwait like the one in Morocco.⁸

Algeria refused to vote arguing that, it was better to resolve the issue within the confinement of Arab League without involving the United Nations. Like Morocco, Tunisia insisted also that the invasion was illegal and urged Iraq to withdraw its troops from Kuwait. In comparison, Libya did not agree with the resolution from the Arab League without declaring its agreement to the invasion, instead it declared an initiative to resolve this issue, in order to keep the Gulf away from intervention of the powerful states. Mauritania conserved the decision by Arab league to respond to Iraq, owing to the fact that Iraq had backed Mauritania during the conflict with Senegal.

From this, it can be argued that, although Arab Maghreb states had resolved in the establishing treaty to cooperate on issues that were external to it is well being,⁹ the second Gulf War demonstrated that this was far from being realized. Considering that external issues could cause a division among the Arab Maghreb states, implies that, it will be difficult for them to resolve

⁷ Musbah Abdulsalaam AL-Naas, 'Arab Maghreb Union Future Challenges', M.A Dissertaion, 2006, Academy of High Studies, p.14

⁸ Musbah Abdulsalaam AL-Naas, 'Arab Maghreb Union Future Challenges', op. cit.

⁹ Arab Maghreb Union Establishing Treaty, Article 2(4), Article 3.

internal issues, this is because member states failed to come up with a unanimous position concerning the Gulf crisis. Al-Atrash argues that the differences are caused as a result of a lack of joint foreign policy pertaining issue of mutual concern and political differences among its members.¹⁰

The second weakness of the AMU is on the lack of strong will of heads of state in constituting a secretariat location and post of Secretary General. Abu Kzam argues that AMU leaders have weak commitments towards establishing the Union.¹¹ For instance, since it was founded, the Arab Maghreb Union has not had a Secretary General with power and authority to steer the union. The post of secretary general is central to the operations of any union, while a secretariat is central to the administration of the union's activities.

Considering that both of these two were missing indicates that the operations of the Union would not be operationalized. Abu Kzam observes that, the appointment of Secretary General is done upon agreement by member states, often the person appointed to the post of secretary general for Arab Maghreb Union is arguably chosen on a pre determined criteria which in this case is to reward a person whose demeanor is liberal and conservative.¹²

The post of the Secretary General and the location of AMU secretariat were held hostage to political tussles of Maghreb capitals, particularly among Tunis, Algiers and Rabat, and was not

¹⁰ Dr. Ahmed A. AL-Atrash, Interview conducted, op, cit

¹¹ Prof. Ibrahim Abu Kzam, 11-05-2011, op. cit.

¹² Prof. Ibrahim Abu Kzam, 11-05-2011, op, cit.

released until the fourth presidential summit.¹³ The delay to nominate a Secretary General is a reflection of the main internal challenges to the Arab Maghreb union.

Article eleven in the establishing treaty mentions that the union should have a Secretary General who should be nominated by the presidential council.¹⁴ The Secretary General and the secretariat was to be nominated and located in the state holding the AMU presidency, the general secretariat was to consist of representatives from all member states. During the first general presidential summit held in 1990, article eleven was amended; this allowed the member states to set up a secretariat in one central location. The presidential council also agreed to settle on one state, which would play host, the tasks that the secretariat would perform and also appoint a Secretary General.

In the fourth presidential summit, 1991, decided to allocate the secretariat to Rabat and appointed Tunisian diplomat, Mohamed Amamo to be the Secretary General.¹⁵ Member states agreed that, the term for the Secretary General was to be for three years and could be renewed for only one term. However, the first term of the first appointed Secretary General commenced on 23-10-1991 and ended 01-04-2002. This was a clear cut indication of flaw not only to the establishing treaty but also the manifesto and state interests. Considering that states did not implement the agreed term for the Secretary General reflected inadequate commitment of the will of heads of member states to reach a compromise.¹⁶

¹³ Musbah Abdulsalaam AL-Naas, 'Arab Maghreb Union Future Challenges', op, cit.

¹⁴ Arab Maghreb Union Establishing Treaty, Article 8.

¹⁵ Department of Arab Maghreb Union Affairs, Ministry of Foreign Affairs and International Corporation.

¹⁶ Arab Maghreb Union Affairs Department, 2003, 'The current Condition of the Arab Maghreb Union' p.6

The first Secretary General was from Tunisia. The first summit he attended was during the fifth summit in 1992. Al-Naas argues that the member states started to contest over where the organs of the AMU will be hosted. The role of the Secretary General was to arbitrate on these new challenges.¹⁷

Libya stopped any attempt to develop the Maghreb academy because the other states refused to back Libya during the Lockerbie crisis. Tunis was the centre for Arab Maghreb Union Maghreb bank for foreign and investment trade, but there was no place to host it up to the sixth summit. The premises for the bank were constituted in 2006.

Another issue that has been a challenge to the Arab Maghreb Union is the Sahara issue. The main attempt to solve the conflict was when Morocco, the United Nations and Polisario front agreed that there should be a referendum in Sahara province, for the people residing there to decide if there were to be part of Morocco or be an independent state. Until a suggestion came from the United Nations Secretary General proposed to simplify the regulation of giving identity to the people in the Sahara province, Algerian representative to the United Nations refused to agree to this proposal arguing that it will not present true people of Sahara. The Algerian position from the Morocco side was perceived to be contentious to the relations between Algeria and Morocco.

Morocco perceived the stand of Algeria on Sahara a threat to its sovereignty and dangerous to the relations of the whole Maghreb, hence puncturing the Maghreb treaty and intervention in interior affairs. A sequence of events broke out, the Marrakech blast of August 1994, led

¹⁷ Musbah Abdulsalaam AL-Naas, 'Arab Maghreb Union Future Challenges', op. cit, p.15

Morocco to impose visa charges on Algerian citizens coming into its territory, Algeria responded by closing its border with Morocco.¹⁸ This made the Maghreb to freeze union activities at the end of 1995 through an official letter sent by the secretary of state of foreign affairs in Morocco to the Algerian partner asking him to freeze the union activities until clearing the political climate with the Algerian side. The Morocco authorities assumed that it was not rational that Algeria should be partner in the union activities and in the Sahara issue as an adversary.¹⁹

The lack of political leadership is also established in the Sahara conflict, here there has been no attempt to solve the conflict from the Arab Maghreb Union. Mediators for Western Sahara were from western states and particularly America. Abu Kzam argues that, the western states will never let themselves to solve the conflict in Western Sahara because, if they did find a solution, then there will be no loophole for them to engage in Arab Maghreb Union issues. In addition, political leaders did not focus on daily issues of the region but on political issues. There is need to start with the basic unification of issues like education and socio-economic issues, which have less contention and can be agreed upon with easy, AMU started with political matters, that are saturated and people tend to differ upon often.

Security

The security prospect was one of the basic points of the Marrakesh treaty and asked member states to be non aligned towards the interior affairs of each state and not allow any activity to threaten the security or sovereignty of any member state²⁰. The treaty assumed that any hostile

¹⁸ Dr. Ahmed A. AL-Atrash, Interview conducted, op. cit

¹⁹ Ibid, pp.14-15

²⁰ Arab Maghreb Union Establishing Treaty, Article 15.

against any member states to be assumed as hostile action against all member states.²¹ Non aligned to interior affairs is absolute and support is a duty and cooperation is a clear commitment among the member states.

But during the union history, the security level was not able to eliminate any suspicion. There was feud between Mauritania and Senegal, although it expected backup, none of the member states from AMU supported it, but Iraq.²² Libya was not backed up either during the Lockerbeire crisis. Also the relation between Libya and Algeria soured for reasons that are due to political opposition to the regimes. And, it deteriorated when Libya announced that it was ready to talk with the Islamic Salvation Front.

Algeria was carrying the Polisario card against Morocco, this made Algeria to back The Polisario with military equipment in the beginning of 1994, hence the Sahara conflict rose up to the surface in a more intensive way and this made Morocco to submit a request to freeze the Unions institutes as a protest over the Algerian position of the desert issue.²³

Interstate Competition

The level of interstate competition is ripe among Arab Maghreb states, in particular, the marked competition between Algeria and Morocco is perhaps more outspoken than any other state rivalry in the region. The competition between Algeria and Morocco is founded on two areas, first, is on geographical front, Algeria and Morocco account for more than half of the total

²¹ Ibid, Article 14

²² Refer to thesis

²³ Ibid

regional population and occupy more than half of the regions land mass. Algeria wish to dominate because geographically it is the largest, Morocco also feels that it is centrality to Europe positions it strategically in the region, is more stable and closer to the west. Secondly, are political differences over the Western Sahara state. Morocco blames Algeria for being behind the revolutionary Polisario front and Algeria blames Morocco for sponsoring terrorist acts on its soil.

After a visit by former secretary of state Dr. Rice visited Maghreb states, an editorial in *La Tribune* news paper of Algeria described the relationship between Algiers and Washington as a strategic axis and an enhancer of bilateral ties in the field of security and economic co-operation.²⁴ This implied that Algeria was trying to be close strategically to United States hence, compete with Morocco which had been assumed to be a close ally of the west in general more than any other regime in the region.

The Marrakech blast led Morocco to impose Visa regulations on Algerian citizens, because Morocco accused Algeria of being behind the blast, in return, Algeria accused Morocco's Intelligence Agency for fostering Islamic Armed Groups in Algeria, Algeria in response closed the border with Morocco thus, paralyzing operations of Maghreb Union and regulating the movement of people between this two countries.²⁵ Although this may seem to affect the two regions only, upon closer consideration it emerges that, the impact is regional. Aldlew argues Morocco and Algeria are not serious, no map road to implement the execution of the establishing treaty.²⁶

²⁴ LA Tribune News Paper, Editorial Section, 05-09-2008

²⁵ Focused Group Discussion in Al-Jazeera Television,

²⁶ Dr. Brig. Amer Aldlew, General Director of the Customary Authority, 9th-05-2011

Al-Jerby argues that, the main obstacle in the Arab Maghreb Union is linking political issues with economic integration.²⁷ Political issues are often used as a launch pad for achieving economic development. The main front was an attempt by each member state to pursue economic partnership with European Union. Each has signed partnership treaty with EU on their own, different than the other, so the differences lead to contention when implementing the AMU, leading to contradictions in the partnership treaties, which inhibited customary cooperation and going against treaty goal of establishing a custom union.

Libya refused to sign this treaty because it opposed the approaches towards the Maghreb Union goals, even though it urges the other Maghreb states to revise the mentioned treaties in order to reform it in a way that it puts on it is concern the Maghreb union interest. Abdisalaam argues that, during specialized economic committee meetings of the Arab Maghreb Union, Algerians delegates question what interest they can have by committing to the economic agreements signed under Arab Maghreb Union.²⁸ Algerians felt their national economy will lose more than it will gain, hence reflecting the narrow vision of integration from the Algerians.

The presidential council has met six times since 1989. All the leaders of member states did not meet together, except in the establishing summit and the second summit. The first summit after the treaty was in Tunisa, Tunis January 1990, Mauritania president was absent, King Ali Hassan II was absent from the third Summit held in Ras Lanof, Libya, Gadhafi was absent from the fourth and fifth summit, King Ali Hassan II was absent from the fifth and sixth summit. The

²⁷. Brig. Ibrahim Daw Al-Jerby, Director Training and Planning Department Customs Authority, 12-05-2011.

²⁸ Ali Owahida Abdslaam, Chief of Technical Operation Division, Foreign Trade Department, Ministry of Economy and Trade.

Tunisian head of state (Ben Ali) and Algerian (AlShazly Ben Jeded, Ali kafi and AlYamen Zerwal) were present in all meetings. The summits were postponed on member states request, due to differences among member states. The first presidential summit was postponed two times, third summit was delayed, sixth summit was postponed three times and the seventh presidential summit was planned for Algeria in 1995 and it has not been convened to date.²⁹

Decisions were to be made in unanimity according to the establishing treaty; ³⁰ the only mandated organ in the Arab Maghreb union to make decisions is the presidential council, hence failure of leaders to attend was seen as sabotage. Failure to attend meetings implied also that the approval of the documents will be delayed; delaying to sign will delay ratifying which delays the approval by member states and eventual delay the implementation of the whole treaty. This could not be assumed to be a major factor, considering that member states had failed to commit to signed treaties under the Arab Maghreb Union.

Economic Issues

The economic goal for Marrakesh treaty identified a strategy that should be used as a guide to achieve cross board economic integration. The first step was to encourage exchange of goods and products originating from the Arab Maghreb member states. It was hoped that, achieving this will help remove barriers on custom and boost development of domestic products. Member states set a time frame for achieving cross border trade as at 1992.

The second step set out those economic institutes for the union should be at a high powerful level for it is activities, and should be without any delays or obstacles. The general secretariat hoped

²⁹ Musbah Abdulsalaam AL-Naas, 'Arab Maghreb Union Future Challenges', op, cit, p. 16

³⁰ Arab Maghreb Union, Establishing Treaty, Article Six

that the Maghreb bank will start its activities by 2009, it was only Libya and Tunisia as the host state of the Maghreb bank had paid their shares in the bank, the rest of the member states were called to pay their share within a limited time.³¹

Most of the meetings of AMU never mention monetary issues. The meetings between Libya and Tunisia concerning monetary issues were not achieved under the banner of Arab Maghreb Union, but under the high Joint commission meetings. During the 22nd high joint commission meeting held on 20th 02-2007, agreed on exchanging Libyan and Tunisian Dinar to be accepted in the local banks.³² Unfortunately the agreement did not last for a year because the Tunisian nationals are allowed to move with only 4000 Dinars in a year,³³ when they move to Libya they will be deemed to have spent their portion and this discouraged most Tunisian nationals who preferred to travel elsewhere. In theory, this limitation is behind the practical happenings, Tunisian can declare a small portion on the border but end up exchanging more through unchanneled means.

The Arab Maghreb Union is so slow that the Arab League is about to achieve free trade zones by 2015, in the time that the activity of the Maghreb states should be more advanced and achieves more goals in economic activities under the Arab league framework.³⁴ The slow pace is advanced to protectionism; La Tribune Maghreb countries should abandon protectionism in

³¹ Arab Maghreb Union, Department of Foreign Trade and Economic Corporation, October 2010.

³² Dr. Ali Knibich, General Director of Research and Statistics department, Libyan Central Bank, 07-05-2011

³³ Dinar to Dollar exchange at 1.35 +-, as at June 2011

³⁴ Dr. Brig. Amer Aldlew, General Director of the Customary Authority, op, cit

order to boost lagging regional trade.³⁵ Tunisian businessman Kamel Ben Yaglan said that, the barrier is not the Maghreb people, but the bureaucrat.

On trade, the Maghreb Union loses about 10 billion dollars annually because of low levels of coordination with other regions and lack of a common market through which they can trade their products. The Maghreb region depends on European Union for trade and in return, the European Markets benefits more by selling its products to AMU than AMU sells to Europe. There are also divisions in local trade, for instance, although Morocco is the leading source of fish products in the region, Libya and Tunisia import fish from Italy and Spain. It is argued that, the fish products from these two countries emanate from Morocco. The effect on the Arab Maghreb is that, although the fish can be sold directly to other Maghreb states, they are forced to go through third parties, the third party reaps profits from these divided coordination.³⁶

Section Three: External Challenges

Dr Rice during a visit to Arab Maghreb member states, identified lack of freedom of speech as a key factor affecting the region, in particular she identified limited media access, lack of freedom of the internet and access to television for the opposition as the main inhibiting factors. Also, the private sector plays a minimum role in integration; there is need hence, for the private sector to become the cornerstone of the strategy aiming to permanently increase growth by dynamizing investment and productivity. Indeed, the public sector presents little scope for higher investment and new job opportunities given the limited fiscal room, particularly in the non-oil sectors.³⁷

³⁵ LA Tribune News Paper, Editorial Section, op, cit

³⁶ www.Al-Hayat.com, accessed on 17-06-2011

³⁷ Ibid

The Community of Sahel-Saharan States (CENSAD) promoted by Libya is seen as a point to divert attention from the Arab Maghreb Union. Considering that Libya has invested heavily in the creation of CENSAD. CENSAD is the largest African regional body. CENSAD overlaps very much with several other regional organizations. Most members of AMU and ECOWAS as well as several CEMAC/ (ECCAS) and COMESA countries are members to CENSAD.

Inadequate financing has been a major constraint for African integration organizations. A number of institutions depend on assessed contributions by member countries as their principal source of finance, which in practice has turned to be unreliable as countries quite often attach low priority to meeting their assessed obligations. In a number of organizations, member states have agreed to allocate to their regional institutions a small but dedicated percentage.

External factors are useful in AMU since they play an important role to support the EU integration by the means of the martial project, the martial project was just after the second world war which is not different from what Japan has done in South East Asia and western Europe done to eastern Europe after the collapse of the communist regime in eastern Europe, all this paradigms show importance of the external role that could support the integration process in any part of the world. Jafal observes that, in integration the external ruling elite do promote and support the integration process if it is goals are in tandem with the internal ruling elites in the states that are pursuing to integrate.³⁸

³⁸ Dr Amar Jafal, director Research Centre of the international Studies in University of Algeria, "Maghreb Symposium in Marakesh Nov 2008, p.55

Historical issues in the Arab Maghreb arena, relying on civil societies is hopeless, since they are blocked out by the ruling elites, ruling elites are trying to have attention of external factors, and external parties can have benefit from the block.

The member states failed to hold a summit meeting to determine a consent position to Gulf crisis. Member states failed to present them self as a united entity in particular issues, for instance, there was lack of coordination between member states. As an illustration, Morocco submitted request to become full member to European Common Market without any consultation without any Maghreb partner.³⁹ There is no coordinated effort between member states that can give them privileges towards other regional blocks, that is, each member states negotiated as a single entity towards European Union-partnership treaty.

Abu Kzam argues that the Maghreb union secretariat lacks strong people to steer it, Arab Maghreb arena, is an area of race between US and Britain on one side and France and the rest of European states on the other side. Europe is becoming united and approaching the south from Maghreb region, because of the markets and natural resources and securing its southern border from the outflow of the illegal immigrants coming from the subsahara countries and the Maghreb area. That, the Algerian interior affairs made the Algerian regime become weaker and not pay attention to Maghreb efforts.⁴⁰ Secretary Generals were not conducting their work accordingly as impartial officials of the union but were reacting as nationalist to their states.

³⁹ Abu Kzam, op, cit

⁴⁰ Abu Kzam, op, cit

Conclusion

It emerged that, Arab Maghreb Union has been bedecked with many challenges. The challenges were identified in two main areas, first there are challenges at the level of state leaders and secondly there are challenges within the operation of the operations of the Arab Maghreb Union. The challenges at the level of state leaders were identified as the main impediment to integration in the Arab Maghreb region; differences among state leaders are also responsible for differences in state interests, the conflict in Western Sahara and other policy challenges. The main challenge facing the Arab Maghreb Union, concerns the fact that, integration was not based on tangible benefits underlying integration but was established as a tool to advance the interests of state leaders.

CHAPTER FIVE: CRITICAL ANALYSIS OF THE CHALLENGES AND PROSPECTS OF THE ARAB MAGHREB UNION

Introduction

Chapter one of this research study introduced the topic, identified objectives, statement of the problem, literature review, methodology, hypotheses and theoretical framework. Chapter two attempted to examine integration in the Arab Maghreb Union. Chapter three examined the challenges of integration in the Arab Maghreb Union. Chapter four examined the primary data collected from interviews and Focused Group Discussions (FGD) to develop a case study for this research study. The primary data was synthesized to develop relevant case study that form the basis of this study. Chapter five aims to tie all issues examined so far in this study to develop a critical analysis. This will be examined against the theoretical framework suggested in chapter one in addition to other theoretical debates underlying the study of integration.

In chapter four, we demonstrated from the interviews that, the Arab Maghreb Union has arguably had an unsatisfactory track record in regional integration since its inception in 1989.¹ This is contrary to the prevailing situation in the international system where cooperation and integration among states has become much stronger owing to globalization, increased interdependence and rapid technological change. In chapter four, we also demonstrated that, competition among state leaders, overlapping membership among member states, Western Sahara conflict and a host of policy challenges are the main factors that inhibit cooperation and integration in the region.²

¹ See Chapter Four.

² See Chapter three for detailed analysis of challenges facing the Arab Maghreb Union

Moreover, in view of the literature examined in chapters two and three of this study, and primary data analyzed in chapter four for the case study, we demonstrated to a large extent that integration in the Arab Maghreb Union is lagging behind schedule when compared to the objectives set in the establishing treaty. As such this chapter will critically examine primary and secondary data and analyze it in context of the theoretical framework proposed in chapter one. The aim of this chapter is twofold, first it aims to demonstrate that integration in the Arab Maghreb Union faces a host of challenges and secondly to identify opportunities for integration.

The basis of argument in this chapter borrows its understanding from epistemological underpinnings; here Popper argues that, when making inferences, it should be done from a predetermined point of view.³ For it is from such a perspective that we can make suggestions and comparisons to a unit under study. In this perspective, this chapter will gauge the dynamics of integration in the international system against integration in the Arab Maghreb Union.

We explained in chapter two that there are two major classes of integration in the international system, on the one hand are micro economic oriented integration which involves formal economic integration and characterized by formal institutional structures for instance, the European Union (EU) and East Africa community (EAC) and, on the other hand, are macro-regional political organizations concerned with controlling conflict.⁴ While the choice of integration activity adopted depends on states immediate needs, the criteria suggested here is the benchmark for integration.

³ K. Popper, *The Logic of Scientific Discovery*. London, Unwin Hyman, 1980, pp.2-5

⁴ Refer to Chapter Two

In chapter four we demonstrated that, the Arab Maghreb region is confronted by a number of challenges, chief of which are competing policy interests among states, differing political objectives among state leaders and the Western Sahara conflict. Considering that this are the main challenges, any attempt on integration among Arab Maghreb states should have called for macro regional type of political organization. As such the establishing treaty of the Maghreb Union should have proclaimed this on it is preamble. We explained in chapter four that, the establishing treaty identified micro-economic integration and suggested to build the Arab Maghreb Union upon this type of integration. It is on this perspective that, AlAtrash argued that the Arab Maghreb union was born dead.⁵ The goals of integration did not match with the prevailing challenges on the ground.

In chapter three, it was shown that, challenges overshadow opportunities. This is because challenges in the Arab Maghreb Union are postulated among state leaders who have different visions of integration among Arab Maghreb states. Considering that, the state is the main actor in the international system, it then demonstrates that, state propounded initiatives whether positive or negative carry the weight. This fact was further confirmed in chapter four, which exhibited that challenges in the Arab Maghreb Union have a state bearing.⁶

As aforementioned, the wrong foot Arab Maghreb Union was founded in is an impediment to Maghreb Union affairs. The failure to identify the right path to integration means that, stated goals and pursued objectives are different from each other; hence the process of integration does not compliment the goals desired. In chapter four we explained that, consolidating prevailing

⁵ See Chapter Four for Details

⁶ See Chapter Four for more details

circumstances, including competing interests and set objectives has proved to be a futile process, incompatible and in every sense unworkable among Maghreb states. This is evident for instance when considering that, the establishing treaty set to achieve economic integration through establishing a free trade area, while the prevailing issues demonstrates that, the issue of conflicts requires more urgent attention, as such, the purpose of Arab Maghreb integration is still.

In view of the above, Seabury argued in chapter two that, integration in Africa has adopted a new pattern which is different from the conventional pattern of integration in other parts of the international system. In light of the challenges explained in chapter four, it then can be explained that, to overcome the challenges of integration in the Arab Maghreb Union, member states should endeavor to consolidate economic and conflict management issues so that they can find a common basis for integration. Moreover states should consider that, the standard of integration suggested in chapter two, is suitable to states pursuing economic development and with no intra state conflicts. In other words, integration calls for states to pursue economic development as the main agenda for coming together.

In chapter two, we demonstrated that, integration in Africa is different from integration in Western countries; the difference is that, Africa integration process is bimodal while in most western states integration is uni-modal. Zinedlin argued that, bimodal integration seeks economic and political solution to challenges facing a region while uni-modal integration seeks to promote either economic or political integration.⁷ For instance, East Africa region, though dotted with conflict, has made strides towards integrating regional states into an economic community. The

⁷ M. Zineldin, 'Globalisation and Economic Integration Among Arab Countries', paper presented at the *Fourth Nordic Conference on Middle East Studies*, 1998, p.4

need to solve conflicts is one mode for pursuing integration and the need for economic development are another mode to integration. Hence, this bi-modal nature of integration can also be duplicated among Arab Maghreb states. In bi-modal integration, the dividing line between economic and political integration process is harder to draw because integration is fed both by conflict related issues and the need for economic development, regionalization of security concerns, and by developments in the global economy.⁸

If Arab Maghreb states pursue bi-modal integration, state leaders should see social cohesiveness, similar ethnic background, race, language, religion, culture, history, consciousness of a common heritage, economic cohesiveness including trade patterns, economic complementarity's, political cohesiveness and organizational as common fields through which the to promote integration. State leaders should therefore rise above state rivalries and broaden their view to see the region as one.

Chapter four showed that, integration in the Arab Maghreb Union has not attempted bi-modal integration, but has pursued trends that are geared to increase cooperation among member states. While cooperation is ideal, it is not a prerequisite for integration, there is need for Arab Maghreb state leaders to put aside short sighted political differences and commit to long term goals for the greater Maghreb Union.

⁸ F. M. Deng and I. W. Zartman, *A Strategic Vision for Africa: The Kampala Movement* (2002); *Demilitarizing the Mind: African Agendas for Peace and Security*, 2002, p.2

Neo Liberalism and integration

This section will utilize the theoretical framework suggested in chapter one to examine the challenges and prospects of integration of Arab Maghreb Union. Keohane notes that, neo-liberal theory has been the most influential theoretical approach to the recent study of international cooperation and represents a highly plausible and generalizable theory for understanding the resurgence of integration.⁹ Neo liberalist scholars such as Keohane base their analysis on a number of core arguments. In the first place, they argue that, increasing levels of interdependence generate increased demand for international cooperation.

In chapter four we demonstrated that, in the Arab Maghreb region, interdependence between states is minimal and overridden by state tension. In chapter two we argued that, there are two sets of competitive states in the Arab Maghreb Union. on the one hand is Morocco and Tunisia and on the other is Algeria and Libya. Morocco and Algeria are sharply divided over the sovereignty of the Western Sahara state. This is because, Morocco considers Western Sahara as part of its province while Algeria has been pushing for separation of Western Sahara and advocated for self rule. In chapter four it emerged that, both Algeria and Morocco have on many occasions accused each other for terrorist attacks on either's soil. This led to a string of counter actions between the two states; Morocco closed the border to Algeria and Algeria reciprocated by imposing visa charges on Moroccan citizens.

These actions by either state are an impediment to integration and a set back to neo-liberal beliefs. The tension arising from the Western Sahara conflict discourages interdependence at the

⁹R. O. Keohane, *International Institutions and State Power*, Boulder, Westview, 1989, p.54

state level. Furthermore, the tension has spill over effects to other regional states and is bound to discourage cooperation across the region.

The root causes of interstate competitions are found in individual state leaders. Political state leaders among Arab Maghreb member states are driven with a desire to rule their states like monarchies. Hence, to ensure that they remain in power, political leaders consolidate their powers by seeking to keep out those they believe are their main rivals in the region. In view of this, while it is not easy for state leaders to relinquish power, they should encourage democracy. Democracy will ensure that the will of the people is respected in accordance to the prevailing needs.

In chapter four, we also explained that, ordinary citizens prefer integration but are unable to demand for it, because regimes in power cannot allow it. There is therefore a need for a shift in policy and leadership style among the ruling regimes. This should encourage a move far away from the interests of state leaders to the interests of the ordinary people of Maghreb states. The need for a paradigm shift among Arab Maghreb states should also consider a shift in the following areas.

Role of Institutions in integration

Among the institutions that the founding treaty set to establish was a Maghreb bank and a free trade area. However, none of these institutions have been established and operationalized; this demonstrates that, institutions in the Maghreb Union did not help in the integration process. Therefore, apart from inadequate state cooperation, there is also inadequate cooperation among

institutions of Maghreb states. Neo liberalism views institutions as purposively generated solutions to different kinds of collective action problems.¹⁰ This tenet is arguably under tension in the Maghreb Union.

In chapter four, we demonstrated that, only two states have made total allocated contribution to establishing the Maghreb bank.¹¹ Although contributing money by all states was a central idea agreed among member states, some member states did not commit to settle their allotted portions. This therefore implies that, although in theory member states set to establish a central banking institution, in practice not all member states are committed to get one.

Moreover, Maghreb countries are reluctant to adhere to integration programs such as eliminating tariffs because of concerns about uneven gains and losses, and the persistence of barriers to free flows of goods, services, and people across borders. There is need for institutions concerned with trade regulations to consolidate the economic requirements of Maghreb states so that they are even across the regions.

There is also a constrain imposed on the limit of money citizens of Tunisia can carry out of their country, this limits individuals in making feasible contribution towards the development of regional institutions. Thus in the absence of an overreaching body to regulate flow of economic income among Arab Maghreb member states, it is hard to encourage flow of economic activities across the border which particularly endeavors to promote integration. Institutions should also endeavor to provide mechanisms for regulating money flow that are level across all the states.

¹⁰ R. O. Keohane, 1989, *International Institutions and State Power*, op. cit.

¹¹ See Chapter Four for details

In addition when states are facing dilemmas of coordination and collaboration under conditions of interdependence, governments use institutions to enable them to achieve their interests through limited collective action. Hence, the reasons why Maghreb states fail to comply with establishing functional institutions is an issue best explained by political differences among states leaders and the absence of real intentions to achieve peoples desires. Neo-liberalism argues that, institutions are established by states to achieve their purposes.¹²

Institutions matter because of the benefits that they provide, and because of their impact on the calculations of the actors and the ways in which states define their interests. They achieve this through the provision of information, the promotion of transparency and monitoring, the reduction of transaction costs, the development of convergent expectations, and facilitation of the productive use of issue-linkage strategies.

Institutions pay particular attention to the extent to which states are involved in an ongoing process of cooperation. However, institutions can discourage self reliance and encourage the importance of interdependence.¹³ In integration, chapter two demonstrated that institutions discourage cheating, because it is cheating that is considered the main obstacle to integration.

Neo-liberal theory of integration has a political view of what integration involves. Cohen argues that, from the perspective of the mid-1990's, it became clear that any theory of integration had to pay far greater attention to the relationship between the institutions by which states have sought

¹² R. O. Keohane, 'Institutionalist Theory and the Realist Challenge After the Cold War', in Baldwin (ed.), *Neorealism and Neo-liberalism*, p. 274.

¹³ A. Faruk, M. Kamel, and V. Varoudakis, 'Governance and Private Investment in the Middle East and North Africa, *World Bank Policy Research Working Paper* 3934, 2006, p.7.

to manage interdependence and issues of representation, accountability and political legitimacy.¹⁴

It is, therefore, no coincidence that the most elaborate examples of integration for example the European Union occurred in regions where state structures remain relatively strong and where the legitimacy of both frontiers and regimes are not widely called into question. In comparison, Arab Maghreb Union member states are not sufficiently established to achieve integration efforts, there is inadequate democracy, weak civil society activities, corruption and domination of ruling elite, all this factors compromise integration process. Whilst integration may over time lead to the creation of new forms of political organization, integration and state strength do not stand in opposition to each other and states remain the essential building-blocks with which regionalist arrangements are constructed.

In the European Union, integration was not pursued as part of a grand project of moving beyond the nation-state, but rather as the best means of sheltering or protecting particular domestic projects built to promote the economy of the states involved, their social welfare and corporatist social arrangements. Integration through institutions can therefore emerge from the pursuit of narrowly focused national policies and result in strengthening the role of the state in achieving regional desires. Similarly, the revival of integrationist momentum through institutions can encourage the convergence of national economic policy preferences, centered on economic liberalization and deregulation.

¹⁴ R. Cohen, 'Pacific Unions: A Reappraisal of the theory that "Democracies do not go to War with each other"', *Review of International Studies*, Vol:20, No:3, 1994, pp2-4

As with the more general idea of interdependence, there is often a strong sense that Arab Maghreb states are all in the same regional boat, ecologically, strategically and economically. In chapter four, we demonstrated that, the fact Arab Maghreb states are not pulling together to realize integration goals is not an excuse not to develop the Arab Maghreb Union. The level of interaction in the international system as necessitated by globalization implies that, time is nigh for states to put aside national egoisms and devise new forms of cooperation.

Hirschman observes that, in contemporary debates there are no natural regions; definitions of regions vary according to the particular problem or question under investigation.¹⁵ Moreover it is how political actors perceive and interpret the idea of a region that is critical. All regions are socially constructed and politically contested. This makes it especially important to distinguish between integration as description and integration as prescription, that is, as a moral position or a doctrine as to how international relations ought to be organized. In the Arab Maghreb Union the will of political leaders to come up with prescription mechanism that implements prescription is absent.

Neo-liberalism theory is heavily statist, in that it is concerned with ways in which states conceived of as rational egoists can be led to cooperate.¹⁶ This approach emphasizes how the successful collaborative management of common problems strengthens the role of the state that in cooperating. The success of institutions depends on how much the state is committed in pushing for integration. In chapter four, we explained that, Maghreb member states fall short of this requirement. The neo-liberalist theory argues that, the state is the effective gatekeeper

¹⁵ A. Hirschman, The on-and-off connection between political and economic progress, *The American Economic Review*, Vol:84, No:2, 1994, pp.343-348.

¹⁶ V. Rittberger (ed.), 'Regime Theory and International Relations', London, Oxford, 1993, p.15

between the domestic and international. The dominant strand of neo-liberalism seeks to retain neo-realist assumptions but to argue that they do not preclude cooperation. Hence, to successfully understand and engage neo liberalism in integration, states should aim to analyze and isolate the particular constellations of power, interests and preferences which are likely to explain the sources and constraints of cooperative behavior.

The importance of interdependence in a country's transactions is likely to be closely related to the country's institutional linkages with others. It is thus necessary for Maghreb states to address the new issues generated by interdependence. From an analytical perspective, these initiatives can be seen as attempts to reduce transaction costs in regional trade, manage intraregional trade frictions, and marshal regional economic forces against external economic challenges.

Institutions lay particular weight on autonomous economic processes which lead to higher levels of economic inter dependence within a given geographical area than between that area and the rest of the world. Although seldom unaffected by state policies, the most important driving forces for economic regionalization come from markets, from private trade and investment flows, and from the policies and decisions of companies.

Institutions are an alternative to the state as a means of going beyond the nation state into integrating. However, the possibilities of integration are likely to depend heavily on the coherence and viability of states and state structures. Many of the challenges of integration result not from the lack of legitimacy between states, but from the still greater lack of legitimacy within state leaders.

Smith describes institutions as the shared perception of belonging to a particular community, where states can rest on internal factors, often defined in terms of common culture, history and religious traditions.¹⁷ Institutions can also be defined against some external factor which may be understood primarily in terms of a political threat or of a cultural challenge or more recently, the revival of Maghreb uprising for a change in political leadership.

The absence of viable states in terms of both effective state apparatuses and mutually accepted territorial boundaries makes the process of region building difficult, if not impossible. In the Arab Maghreb region, political instability, interstate competition, rivalry among political leaders and Western Sahara conflict, all interact to undermine the cohesion of institutions; furthermore they erode the economic base and social fabric of member states, and produce a downward spiral leading towards disintegration and anarchy.

In Chapter four we demonstrated that, regional integration has become a barrier to the external reinforcement of market liberal policies. Here, while domestic policy convergence has undoubtedly been an important factor, it has received minimal support, especially the widespread shift towards market liberal policies that stress trade liberalization and export expansion. The following two cases elaborate the situation in Maghreb further.

During the 1997 Arab Free Trade Meeting, fourteen Arab countries including Maghreb member states concluded an agreement in order to achieve the Greater Arab Free Trade Area (GAFTA) within 10 years. The main objective of the agreement was the progressive removal of tariff and

¹⁷ Ibid

non tariff barriers in the field of manufactured goods whereas agricultural products are provided with special treatment. But as it emerged in chapter four, none of this has materialized. Moreover, although the Arab Maghreb Union was represented at the July 2008 Paris Summit, this regional economic integration remains frozen due to antagonisms between Morocco and Algeria on the issue of the Western Sahara and this despite several attempts to re-launch the political process during the 1990's.

Finally, it should be mentioned that, since the establishment of the AMU in 1989 the five member countries have signed more than 37 multilateral conventions but very few have been ratified by all Parties. Gendrano argues that, without progress on the political track it is doubtful that the AMU could be re-activated. Nevertheless, in case of future positive developments, its institutions, mechanisms and regulations could be of importance to regulate intra-Maghreb relationships.¹⁸

Arab Maghreb Secretariat

In chapter two we explained that, most of the treaties forming Africa's regional economic communities are sophisticated instruments, similar to those guiding economic integration in other regions. The architects of AMU for instance failed to factor in that the prevailing social, cultural and economic conditions in Maghreb are different from those in other parts of the international system. The danger of structuring integration communities in the same modalities akin to those of other regions is that, the institutions are bound to fail. Considering for instance that the AMU secretariat has been waning raises concern on the progress of integration.

¹⁸ J. Gendrano 'League of Arab States Greater Arab Free Trade Agreement', Institute for Domestic and International Affairs, 2007, p. 18

A secretariat is central to operations of any integrated block like the Arab Maghreb Union. A secretariat is important because, it coordinates activities between the member states and is in charge of implementing the objectives of integrated units. Ideally, regional communities should have well functioning secretariats that conduct frequent meetings at the summit, ministerial, and technical levels.

In chapter four we demonstrated that Arab Maghreb union has a weak secretariat. A weak secretariat in the Arab Maghreb Union, is a pre condition for failure and a challenge of states in integrating, a weak secretariat further means that, states will not commit to serve nor will they be responsible to any overreaching authority. A weak secretariat in the AMU has been responsible for failure of states to honor pledges they have committed to, for instance, a pre condition set to achieve economic union was to contribute to central fund to operationalize the activities of a Maghreb Central Bank. The contribution of member states to this fund has at best been dismal. As indicated in chapter four only two states had contributed fully to the kit. The others have paid in part and this reflects a clear cut lack of commitment among member states.

Lack of commitment among states can arguably be attributed to a weak secretariat. The administration of Arab Maghreb Union Secretariat is bestowed on officials who are picked by member states; states often pick officials who are deemed as being loyal to the ruling authority. Their performance is pegged on the needs of the state that they represent and are unlikely to be rational in decision making. Hence, it can be argued that, lack of commitment by member state is an act of undermining the state whose representative is the head of the secretariat. There is need

therefore, that members to the secretariat are appointed in a different way and not through political appointment.

In chapter four we demonstrated that, interstate competition is a challenge inhibiting integration. Interstate competition can be explained by considering interaction of state leaders during summit meetings. For instance during the third presidential council held in Ras Lonouf in March 1991, Maghreb state leaders approved wide outlines for the Arab Maghreb Union development strategy. The strategy outlined a sequence of events which the Arab Maghreb Union would implement to develop economically into an integrated block. The first step was to allow free trade of goods and products that originate among Arab Maghreb member states; the idea behind being that, by eliminating custom duties, local market will flourish and in the long run be self servicing. As a result, member states set the year 1992 as the period when this should start to be implemented. In addition, they set to undertake necessary trade and legal measures to lift the prevailing barriers.

The goal envisioned in the above paragraph never lived to see the light of day among Arab Maghreb member states. Although the main issue responsible for this failure can arguably be said to be lack of commitment by member states it is apparent that interstate competition bears the technical responsibility. Hence, while interstate cooperation is central to activities of this magnitude, it was absent at this time, this strategy lacked a structure and was therefore bound to fail.

During the fifth presidential council held in Nouakchott in November 1992, the council urged the special ministerial committee on economic and finance to take all measures and technical arrangements, related to the formation of a free trade zone. The main objective of the AMU was to develop a full economic union; however this has not been achieved due to interstate competition. Integration has been moving slowly since 1995 when the last summit meeting met.

Integration in the Arab Maghreb Union has also been broadly perceived as having produced few concrete results despite considerable political rhetoric and protracted efforts by governments, institutions, and other players. One common criticism is that unlike economic integration in Europe (the European Union), North America (the North American Free Trade Agreement), and South America (the Common Market of the South), Maghreb integration has done little to accelerate growth or even regional trade.

Multiple overlapping Memberships

There is also a problem of multiple and overlapping memberships. Generally regional economic communities with overlapping memberships are perceived as wasting effort and resources.¹⁹

Having multiple groups adds to the work of harmonization and coordination and complicates the eventual fusion of regional economic communities into the African Union. This has prompted calls to rationalize integration. The considerable dialogue on this subject has yielded some tangible results, with clearer definitions of the mandates, objectives, and responsibilities of institutions serving the same constituents.

¹⁹ D. Kaufmann, A. Kraay, and M. Mastruzzi, 2007, "Governance Matters: Governance Indicators for 1996-2006", *World Bank Policy Research Working Paper 4248*.

The problem of multiple memberships of regional integration groups is a particular feature in the Arab Maghreb Union, as explained in chapter four; all Arab Maghreb member states are members of at least two regional communities. It is for this reason that there are conflicting policies concerning the commitment of Maghreb states to the Arab Maghreb Union. Sometimes different regulations and technical standards govern the operations of integration blocks. As such states in the Arab Maghreb Union are likely to commit to blocks where they feel their need are best met.

When this region is not the Arab Maghreb Union, then the Arab Maghreb Union is bound to be forced to compete against other for membership of its own states. The overlapping memberships in the different regional groupings and hence at a different commitment, have resulted in a duplication of effort and in occasional and inconsistent aims in Maghreb Union integration initiatives.

There is need therefore for African Union to regulate membership of states to economic integration blocks. This will ensure that, states commit to one integration block and are able to give in to the regulations that are bound by it. Moreover, this can reduce interstate competition since, member states know that, any form of negative competition will hurt them and considering that they may not have any option, states will be discouraged from negative competitions.

Arab Maghreb Union has also been set back by the poor design and sequencing of the arrangements. This is reflected, *inter alia*, in the heavy emphasis of most of the schemes on trade liberalization and market integration without much regard for the fostering of production

integration, regional complementarities or the development of regional infrastructure especially transport and communication to drive market integration. Also the inability to adequately handle issues relating to human rights, good governance, accountability, and transparency, which are vital for political stability, peace and security and required for the attainment of economic objectives of integration are lacking among Maghreb states.

There is also absence of self financing mechanisms for the regional integration organizations, the inadequacy of mechanisms to ensure that the benefits of integration are equitably distributed among the member states, lack of involvement of the private sector and civil society in the integration process and the disproportionate time allocated to conflict related issues particularly the Western Sahara conflict, which has significant implications for the skills and competencies required by Arab Maghreb Union.

The Maghreb region also has missing or ineffective mechanisms for organizing, implementing, controlling, monitoring, and revising the integration process. Hence it is hard to effectively monitor the development rate *vis a vis* the implementation of the treaty. The main issue accountable for this is the lack of political commitment by heads of state for member states.

In addition, there is an inadequate national mechanism to coordinate, implement, and monitor integration policies and programs across all member states. This could be achieved if there were institutions like the Maghreb Central Bank that monitor monetary activities across member states. There is also lack of commitment among member states to make integration objectives, plans, and programs part of national development frameworks.

Insufficient technical and analytical support such as cost benefit analyses for some integration instruments such as trade liberalization, hamper implementation or lead to speculation about their effects on different member states. Inadequate capacity and resources in Mauritania and lack of a clear lead hegemony in Maghreb region to spearhead the integration process is also a concern to failure of the member states to integrate. Arab Maghreb Union lacks clarity of vision, strategies, and plans, resulting in diffuse activities. As such he adds that, this is a condition often seen in other regional integration communities.

Prospects for Arab Maghreb Union

For integration to succeed in the Arab Maghreb Union, efforts must be made to promote the equitable distribution of integration's costs and benefits among the five member states. Considering that, member states have different economic capabilities, does not mean that, they should not be involved on issues of integration. Chapter four showed that, Mauritania has particularly not been active in social economic affairs of the Maghreb Union. While the rest of the states have been engaged in integration albeit with many conflicting interests.

Member states should provide technical and financial support to Mauritania as part of the regional integration program. This would ensure that Mauritania develops to levels that can match the rest of the Maghreb member states. At this point, Mauritania can then be able to contribute meaningfully to commitments made by other member states. Mauritania is also key party in the Western Sahara conflict because, the region of Western Sahara state was part of Mauritania before it was occupied by the Spanish colonials. Hence, helping Mauritania to develop may be key to solving the Western Sahara conflict.

Arab Maghreb states should promote interaction among regional economic communities and specialized development institutions. Regional cooperation and integration are not simply about trade and trade related issues, but a commitment which requires political sacrificing among state leaders. Cooperation and integration are vital for the development of regional infrastructure, production and management of regional public goods and services, and to support other developmental programs such as commonly shared water resources and environmental protection.

Interstate trade is however central to a successful regional cooperation and integration process. Maghreb needs to step up intraregional trade flows, devise a guaranteed payments system and seek ways and means of deriving maximum benefits from the present global trade and payments arrangements. To this end, the Maghreb region will have to strengthen AMU and interstate trade-related capacity at national, sub-regional and Continental levels.

Maghreb should put the private sector at the centre of the integration agenda and design mechanisms to mainstream and measure informal trade within regional integration. The private sector is a central to any integration process. Successful integrated blocks like the European Union incorporate the private sector in key areas of trade, there is need for the Arab Maghreb states to also open up and let the private sector participate actively in the Union integration efforts.

Emphasis should be placed on public private sector partnerships to mobilize resources for the financing of infrastructure development and sustenance. Capacity building efforts would be well directed, if they focus on policy reforms in the relevant sectors, the fostering of partnerships and the financing and management of programs for the development of the sectors.

It is common knowledge that a sound financial infrastructure facilitates regional integration, and trade and investment flows. Inefficient state centric financial systems have been a major constraint to growth in the Arab Maghreb Union. Effective trade policy capacity building must therefore pay a great deal of attention to the development and sustenance of a sound and credible financial system that engages both private sector and the state.

Beside institutional capacity for regional cooperation and integration, the development of physical infrastructure requires particular attention in the Maghreb. Roads, power, water, telecommunication services and transportation need to be enhanced through investment, policy reforms and management capacity that open the sectors to competition and support stakeholders. Particular attention should be focused on Mauritania.

Arab Maghreb member states should besides encouraging the private sector development, also encourage transparent, effective and predictable domestic and regional policies that contribute to trade and investment in the region. This will ensure an appropriate macro economic policy framework which is supported by all member states and will contribute immensely to the development of trade and investment capacity.

Capacity building interventions that support macroeconomic and sectoral policy reforms at the national and regional levels are vital for the emergence of a responsive domestic and regional policy environment. In this connection, there is need for policy research and analysis among Arab Maghreb member states.

There is a broad range of activities for which capacity should be built and strengthened to enhance Arab Maghreb's participation in the global economy, such as trade information, knowledge of trading systems and arrangements, trade and contract negotiation skills, and advocacy. Arab Maghreb Union needs to be able to negotiate trade arrangements from an informed position in order to participate effectively in the international trading system.

Fajan argues that, there should be capacity building interventions in the Arab Maghreb Union to strengthen the growth of key productive sectors is important to the building of regional integration and trade capacity.²⁰ Agriculture, industry, mining and the services sectors need to be strengthened to raise productivity, increase output and boost trade.

In this context, trade policy development capacity building would be well served, if, among other issues, it simplifies the complex regulatory and administrative requirements for trade and investment, supports the reform of the telecommunications sector and harmonizes policies and legislations across the region.

²⁰ O. Fajana, "Enhancing Africa's Integration in a Globalizing World: A Challenge for the African Union", 2004. p.41

Conclusion

For the Arab Maghreb Union to succeed, an array of institutional issues must be addressed. At the core of these issues are the inadequacies of national and regional institutions for stimulating and managing effective integration. Regional institutions have to be streamlined, better coordinated, and equipped to deal with the complexities of this effort by building the skills, resources, and authority needed as driving forces for the African Union. Parallel measures are needed at the national level to strengthen interaction with regional policies and ensure effective implementation of treaties and protocols by member states.

CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This research study has made a number of observations since it embarked in chapter one, the journey started with a broad aspect of integration in the Arab Maghreb Union and finished with an examination of the critical analysis in chapter five. Chapter One introduced the topic of this research study, statement of the problem, identified main objectives, analyzed the literature review, theoretical frame work, methodology, hypotheses and chapter outline. Chapter two examined the process of integration in Africa. The chapter reviewed literature and debates informing the evolution of integration in Africa and efforts of integration in the Arab Maghreb region from the mid 1950's.

Chapter three analyzed the challenges of integration in the Arab Maghreb Union. The challenges examined include, differences in state leaders, differences in state interests, Western Sahara conflict and policy challenges. Chapter four examined empirical findings for the case study of this research. It incorporated data from interviews, Focused Group discussions and primary published documents. Chapter five attempted and developed a line of argument commensurate to this research study's objectives.

A number of issues were discussed in the course of this research study, most of the issues confirmed to the hypotheses of this research study that, in the Arab Maghreb Union, policy and political challenges are the main impediments to integration challenges in the Arab Maghreb Union. In chapter four we demonstrated in chapter four that, the objectives of the Arab Maghreb

Union lag behind the objectives of the treaty. In sum, this study's highlighted that, integration in the Arab Maghreb Union faces more challenges but there are also prospects.

Conclusions

The challenges are not natural impediments towards integration but political differences often built upon interests of states leaders. Since leadership among the Maghreb states is almost controlled by one leader, it emerged that, challenges in the Arab Maghreb Union are given more attention than the opportunities and prospects. Leaders are responsible for failure or success of integration, because they control power and state machinery almost absolute; hence it remains a fact that, in the Arab Maghreb Union leaders have embraced this role with zeal.

When dealing with regional issues, state leaders tend to pursue policies that are driven by their personal interests than those of their states. The fact that, personal needs override state interests is the main unseen challenge in the Arab Maghreb Union. There is need for state leaders to rise above personal interest and consider the interests of the people of Arab Maghreb member states and also consider the interests of the states.

The importance of considering the interests from a national level is that, first it will increase the capacity of state leaders in appreciating concerns of the region and secondly, it will enable state leaders to pursue prospects in the spirit of cooperation. While it remains a fact that challenges will continue to bedeck the region, the focus of Arab Maghreb states should be to put in place mechanisms that promote cooperation and see Maghreb beyond their political careers of politicians.

There is no perfect example of integration in the international system. Arab Maghreb Union should therefore not to strive for excellence but should commit to achieve it is best within the given social conditions. Moreover, there is an immediate need for state leaders of member states to change their political ideologies and come to terms to the need for globalization.

Zartman observes that, relations between the Maghreb states are an ongoing cycle that alternates between pluralist rivalry and integration.¹ Following each effort at integration, there has been a period of indifference or hostility. Such prior efforts have included the Tangier meeting of 1958, the Casablanca conference of 1961, the functional cooperation of 1964-1969, and several efforts by Tunisia in 1984-85 to convene a pan-Maghrebi summit. The creation of a Arab Maghreb Union, however, has been the most ambitious to date, though once again, it may be temporary.

Most states leaders of Arab Maghreb Union have been in power for decades, the leaders came to power either through a coup or inherited like in Morocco which is a monarchy. This factor has played to a role in curtailing integration, perhaps the fear being that, if Arab Maghreb states integrate, then the leaders may loose their power.

There is need for a paradigm shift among Arab Maghreb member states. The idea of integration was first used in the Arab Maghreb Union as a ploy to deter colonialist during the occupation period. It was successful during this period, but has failed to stimulate integration. There are divergent opinions on how to move forward and revive the AMU. Most Maghreb countries find themselves torn between bonds to the rest of the Arab world, links to their continental African neighbors, and colonial ties to the European Union. Morocco and Algeria want to turn north to

¹ I. W. Zartman, cited in Mortimer, op. cit., p. 131.

integrate the AMU into the so-called Barcelona Process. Libya, on the other hand, is looking south and would prefer to anchor the AMU initiative into the African Union. Tunisia and Morocco, the two best performing countries in the region, have shifted their focus towards bilateral relations with the European Union and the United States. This shift is both a consequence of the lack of progress of the AMU and contributes to the stalemate.

Limited progress can be observed in the last few years. Since 2005, three conferences at the ministerial level have been organized by the five Maghreb countries to foster regional integration. The first two conferences focused on financial integration and trade facilitation – harmonization of regulations, tariff and custom reforms, and transport infrastructure. In March 2007, Foreign Ministers announced the establishment of a Maghreb Investment and Foreign Trade Bank (BMICE) owned by the central banks of the member countries, with an initial capital of \$1 billion, and with a mandate to promote investment, trade and cross-border economic cooperation. This step represents the long-delayed implementation of agreements made at the inception of the Union.

For a union to materialize there needs to be a perceived threat or a perceived advantage to more than one state in the system. Unions that never see the light are therefore those that are proposed when there is no confluence of interest between the parties involved. Also, the major Maghribi states only close ranks when they are threatened by external powers, be they from the West or from the East. When the threat diminishes, the major powers return to their original state of rivalry and regional competition.

The three smaller nations (Mauritania, Tunisia, and Libya) have never allied themselves at the same time with either of the two major regional powers; Algeria and Morocco, for example, have always had one or two of the small nations on their side but never the three. In this way, the small nations have protected their independence by allying themselves at times with the weaker of the two powers to strengthen it and maintain the regional competition between those two.²

The small nations have generally allied themselves to the major regional powers rather than to each other. The major powers, Algeria in particular, do not allow the formation of new blocs on their borders, and whereas they cannot prevent it when another major power is involved, they will prevent it when smaller nations attempt it on their own. The Jerba union is an illustration. It is therefore unlikely that we shall see any union taking place between the minor states in which no major state is involved despite the recent Tunisian-Libyan rapprochement.

Democracy is an ingredient for integration in the sense that, people are free to pursue goals, develop institutions and promote joint cooperation initiatives. By extension democracy is a confirmation that states are willing to consider the needs of domestic constituents in making decisions. Therefore while it emerged in chapter four that states seek to pursue national interest befitting the sitting government, democracy will ensure that national interests are the needs of its people. National interests are thought of in terms of national security, national security according to Buzan, focuses on the nation, a nation is a group of people who either live in a definite

² Y. Zoubir, "Solution Needed for Western Sahara," *New African*, June 1989, p. 38.

geographical location or are dispersed but share a common language, culture, and share common historical experiences.³

The Arab Maghreb Union has gone through arguably rough phases of attempting to integrate. Although integration can offer many advantages, it emerges that the differences among states are the main reasons prohibiting integration. The nexus between Western Sahara conflict and other internal challenges may broadly explain the reasons behind the failure of Arab Maghreb Union. Policy challenges are rooted in both external and internal challenges. External challenges are rooted in colonial occupation and internal challenges can also be linked to differences emanating from colonial settlers. Both external and internal challenges have hence colluded to undermine the realization of Arab Maghreb Integration.

Arab Maghreb Union has also been bedecked with many challenges. The challenges were identified in two main areas, first there are challenges at the level of state leaders and secondly there are challenges within the operation of the operations of the Arab Maghreb Union. The challenges at the level of state leaders were identified as the main impediment to integration in the Arab Maghreb region; differences among state leaders are also responsible for differences in state interests, the conflict in Western Sahara and other policy challenges. The main challenge facing the Arab Maghreb Union, concerns the fact that, integration was not based on tangible benefits underlying integration but was established as a tool to advance the interests of state leaders.

³ B. Buzan 1983, 'People, State and Fear: National Security Problem in International Relations', Prentice Hall, Hertfordshire, p. 48.

For the Arab Maghreb Union to succeed, an array of institutional issues must be addressed. At the core of these issues are the inadequacies of national and regional institutions for stimulating and managing effective integration. Regional institutions have to be streamlined, better coordinated, and equipped to deal with the complexities of this effort by building the skills, resources, and authority needed as driving forces for the African Union. Parallel measures are needed at the national level to strengthen interaction with regional policies and ensure effective implementation of treaties and protocols by member states.

Recommendations

The Arab Maghreb Union has substantial assets to accelerate economic growth and sustainable development, including the following. A conducive macroeconomic framework ensuing from a prudent management of oil resources, almost no foreign debt, low inflation, huge foreign exchange reserve and substantial budgetary savings. This situation provides an excellent opportunity to accelerate reforms, and is a definite asset in terms of attracting private investment and encouraging economic diversification.

A comfortable financial position, allowing Algeria to embark on major public investment programmes that promise to have a significant social impact, particularly in terms of creating jobs and improving the people's access to basic social infrastructure.

There is need for Arab Maghreb states to refocus their attention from integration to cooperation. Cooperation is broader and more elastic concept. Keohane observes that, cooperation occurs

when actors adjust their behavior to the actual or anticipated preference of others through a process of policy coordination.⁴

Cooperation can occur in a variety of frameworks ranging from informal common fronts of powers through formalized alliances or international organizations to outright unions of states. Such cooperation can develop at any level, from particular pairs of states to an overall regional system. Hence there is need to conduct further research and examine how cooperation can be utilized as the starting point for integration among Arab Maghreb states.

There is need to conduct further research and establish the need for a new orientation of cooperation between Arab Maghreb member states, to enhance the quality of economic operations. Such new cooperation should henceforth be more focused on expertise related technical assistance and private sector development support.

Finally, for Arab Maghreb states to move ahead with integration, they should believe that the benefits of integration in terms of trade, optimal policy formulation, welfare and increase in living standards outweigh the loss of policy independence for the individual countries. Moreover, over time the desire to work towards economic integration brings its own benefits, through complementing monetary union with free regional trade and pursuit of accompanying economic and institutional integration steps.

⁴ Keohane 1984

BIBLIOGRAPHY

- Aarts, P 'The Middle East: A Region without Regionalism or the End of Exceptionalism?' *Third World Quarterly*, 20(5), 1999..
- Abedini, J. and Pèridy N., The Greater Arab Free Trade Area (GAFTA): An Estimation of the Trade Effects, Canadian Economics Association.
- African Union Commission (AUC) 2009, *The minimum integration program*, AUC, Addis Ababa.
- Agrhout,A and K. Sutton, 'Regional Economic Union in the Maghreb' (1990) 28(1) *The Journal of Modern African Studies* Vol:115
- Aixalà, J. and G. Fabro (2008), Does the impact of institutional quality on economic growth depend on initial income level? *Economic Affairs*, 28 (3)
- Arab Federation, Economic and Political Weekly, Vol. 5, No. 46 (Nov. 14, 1970)
- Barro, R. J. Democracy and Growth, *Journal of Economic Growth*, 1 (1), 1996.
- Binder, L. "The Middle East as a Subordinate International System," *World Politics* 10:3, 1958
- Brown, C. L . International Politics in the Middle East. Old Rules, Dangerous Game, Princeton: Princeton University Press, 1984.
- Bush, R and David Seddon, North Africa in Africa, Review of African Political Economy, Vol. 26, No. 82, North Africa in Africa (Dec.,1999)
- Bush, R. 'Poverty and the Neoliberal Bias in the Middle East and North Africa' (2004) *Developm* *ange*, Vol:35, No:4.

- Chan, K. and Gemayel E., Risk Instability and the Pattern of Foreign Direct Investment in the Middle East and North Africa Region, IMF Working Paper WP/04/139, August 2004.
- Chiumya, C.C.N Regional trade agreements: an African perspective of challenges for customs policies and future strategies.
- Cohen, R 'Pacific Unions: A Reappraisal of the theory that "Democracies do not go to War with each other"', *Review of International Studies*, 20, 3 (July 1994).
- Damis, J 'Prospects for Unity/Disunity in North Africa', in *American Arab Affairs* (Washington, D.C.), 6, 1983.
- Danso, K. The African Economic Community: Problems and Prospects, *Africa Today*, Vol. 42, No. 4, The Politics of Economic Integration in Africa (4th Qtr. 1995),
- Deeb, M-J. Inter-Maghribi Relations since 1969: A Study of the Modalities of Unions and Mergers, *Middle East Journal*, Vol. 43, No. 1 (Winter, 1989),
- Déjeux, and Ruthmarie H. Mitsch. Francophone Literature in the Maghreb: The Problem and the Possibility, *Research in African Literatures*, Vol. 23, No. 2, *North African Literature* (Summer, 1992)
- Deng, F M. and I. William Zartman, 2002, *A Strategic Vision for Africa: The Kampala Movement* (2002); *Demilitarizing the Mind: African Agendas for Peace and Security*
- Easterly, W., and R. Levine (1997), Africa's Growth Tragedy: Policies and Ethnic Divisions, *Quarterly Journal of Economics*, 112 (4)
- ECA (2004), *Assessing Regional Integration in Africa*, UNECA Policy Research Report, UN Economic Commission for Africa, Addis Ababa.

- ECA , *Assessing Regional Integration in Africa*, UNECA Policy Research Report, UN Economic Commission for Africa, Addis Ababa, 2004.
- Fajana, O. 2004. "Enhancing Africa's Integration in a Globalizing World: A Challenge for the African Union",
- Fargues, P. The Decline of Arab Fertility, *Population: An English Selection*, Vol. 44, No. 1 (Sep., 1989)
- Faruk, A.; Kamel, M., and Véganzonēs-Varoudakis, M. A. (2006), Governance and Private Investment in the Middle East and North Africa, *World Bank Policy Research Working Paper 3934*.
- Fawcett, L. (ed.), *International Relations in the Middle East*, Oxford: Oxford University Press, 2005.
- Feaver, D and Wilson, K 2005, *Preferential trade agreements and their implications for customs services*.
- Folson, R. H. M. W. Gordon and S A. John, (2004) *International Trade and Economic Relations in a Nutshell*, Thomson West, Eagan Publishers.
- Fosu, A. K. Political Instability and Economic Growth in Developing Economies: Some Specification Empirics, *Economics Letters*, 70 (2), 2001
- Fosu, A.K. Democracy and growth in Africa: Implications of increasing electoral competitiveness, *Economics Letters*, 100, 2006.
- Gendrano, J., *League of Arab States Greater Arab Free Trade Agreement*, Institute for Domestic and International Affairs, 2007.
- Ghiles, F 'The Imperatives Pushing North Africa Towards Unity', in *Middle East International*(L ondon), 33I, 1988

- Gottmann, J. Economic Problems of French North Africa, *Geographical Review*, Vol. 33, No. 2 (Apr., 1943)
- Grigg, D. 1965 'The Logic of Regional Systems', *Annals of the Association of American Geographers*.
- Harsch, E "Africa Seeks Economic Unity," *Africa Recovery* (June 1991)
- Henry, C. and R. Springborg, *Globalization and the Politics of Development in the Middle East* (1st ed, 2001)
- Hertog, S'The GCC and Arab Economic Integration: A New Paradigm' 2007 14(1) *Middle East Policy* Vol:52.
- Hirschman, A. 1994, The on-and-off connection between political and economic progress, *The American Economic Review*, Vol:84, No:2
- Hormats, R.D. 'Making Regionalism Safe', *Foreign Affairs* (March/April 1994)
- Hudson, M C 'After the Gulf War: prospects for democratization in the Arab world', *Middle East Journal*, 45(7), 1991
- Huntington, S. P. (1968), *Political Order in Changing Societies*, New Haven, CT: Yale University Press.
- Jesus, C. E. 'The Co-operation between the European Community and the Maghreb', Conference on North Africa and the E.C., University of London, February 1989.
- Kaufmann, D. (2006), Myths and Realities of Governance and Corruption, *The World Economic Forum. Global Competitiveness Report 2005-2006*.
- Kaufmann, D., Kraay, A. and Mastruzzi, M. (2007), Governance Matters VI: Governance Indicators for 1996-2006, *World Bank Policy Research Working Paper* 4248.

- Keohane, R.O and Stanley Hoffmann (eds.), *The New European Community. Decision Making and Institutional Change* (Boulder: Westview, 1991)
- Keohane, R.O. 'Institutionalist Theory and the Realist Challenge After the Cold War', in Baldwin (ed.), *Neorealism and Neoliberalism*.
- Knack, S., and Keefer, P. (1995), *Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures*, *Economics and Politics*, 7 (3)
- Korany, B. "The Arab World and the New Balance of Power in the New Middle East," in Hudson (ed.), 1999.
- Kzam, I.A. 11-05-2011, director of institute of diplomacy and international studies Tripoli.
- Lamy, P. 2003, "Sharing the Gains of Globalisation in the New Security Environment: The Challenges to Trade Facilitation", In: Pascal Lamy, *Sharing the Gains of Globalisation: The Importance of Trade Facilitation*, UN Economic Commission for Europe, United Nations, New York.
- Landberg, C "The Fifth Wave of Pan-Africanism" in Adebajo Adebekye and Rashid, Ismail: *West' Security Challenges-Building Peace in a Troubled Region* Boulder: Lynne Rienner, 2004.
- Manby, B. The African Union, NEPAD, and Human Rights: The Missing Agenda, *Human Rights Quarterly*, Vol. 26, No. 4 (Nov., 2004)
- Mansfield, E and Helen, M. 'The New Wave of Regionalism' (1999) *International Organization*, Vol:53, No: 3
- Mazrui, A. *Towards a Pax Africana*, University of Chicago Press, 2007. Chicago.

- MOROCCO, ALGERIA, LIBYAN ARAB JAMAHIRIYA, MAURITANIA AND TUNISIA, Treaty instituting the Arab Maghreb Union (with declaration). Concluded at Marrakesh on 17 February 1989, No. 26844
- Nye, J.S Peace in Parts: Integration and Conflict in Regional Organizations (Boston: Little, Brown and Co., 1971).
- Ogiogio, G. 2002. "Some Issues in the Building of Trade Policy Development Capacity in Africa", ILEAP Launch Conference.
- Olson, M. (1982), *The Rise and Decline of Nations*, CT: Yale University Press.
- Palmer, N.D. *The New Regionalism in Asia and the Pacific* (Lexington: Lexington Books, 1991); and Bjorn Hettne, 'Neo Mercantilism: The Pursuit of Regionness', *Cooperation and Conflict*, 28, 3 (September 1993).
- Paul, S. 'The League of Arab States: Debacle of A Regional Arrangement' (1949) *International Organization* Vol:6, No:4
- Popper, K 1980. *The Logic of Scientific Discovery*. London: Unwin Hyman.
- Przeworski, A. y F. Limongi (1993), Political regimes and economic growth, *Journal of Economic Perspectives*, 7 (3)
- R.Rigobon, and D. Rodrik, 2005, Rule of Law, Democracy, Openness, and Income: Estimating the Interrelationships, *Economics of Transition*, Vol:13, No:3
- Ravenhill, J in Ralph I. Onwuka and Amadu Sesay (eds.), *The Future of Regionalism in Africa* (London and Basingstoke, 1985),
- Rittberger, V(ed.), *Regime Theory and International Relations* (Oxford: OUP, 1993)
- Robson, P *The Economics of International Integration*, London, 1987.

- Rodrik, D., A. Subramanian y F. Trebbi (2004), Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development, *Journal of Economic Growth*, 9 (2).
- Schuster, L. 2005, 'The realities of a new asylum paradigm', COMPAS Working Paper 20, Oxford: University of Oxford
- Scully, G. W. (1988), The Institutional Framework and Economic Development, *Journal of Political Economy*, 96 (3), Society” en *Global Responsibility to Protect*, vol 1:3, 2009.
- Seabury, P. 'The League of Arab States: Debacle of A Regional Arrangement' (1949) *International Organization*, Vol:3, No:4,
- Segal, A. North Africa's Role in World Politics, North Africa: Regional Tensions and Strategic Concerns by Richard B. ParkerSource: *Africa Today*, Vol. 36, No. 3/4, Shari'a Law and Strife in the Sudan: Is Peace Possible?(3rd Qtr. - 4th Qtr., 1989)
- Sigler, J. H. News Flow in the North African International Subsystem, *International Studies Quarterly*, Vol. 13, No. 4, (Dec., 1969)
- Small, M. and J. David Singer, 1976, 'The War Process of Democratic Regimes', *The Jerusalem Journal of International Relations*.
- Smith, P.H (ed.), *The Challenge of Integration. Europe and the Americas* (New Brunswick and London: Transaction Publishers, 1992)
- Stroup, M. 2007, Economic Freedom, Democracy, and the Quality of Life, *World Development*, 35.
- Taylor, P *International Organization in the Modern World. The Regional and Global Process* (London: Pinter. 1993)

- Taylor, P. *International Organization in the Modern World. The Regional and Global Process* (London: Pinter, 1993)
- Tissières, H and Marjolijn de Jager, *Maghreb: Sub-Saharan Connections, Research in African Literatures*, Vol. 33, No. 3 (Autumn, 2002)
- Tlili, M *Arab Democracy: A Possible Dream?*, *World Policy Journal*, Vol. 18, No. 3 (Fall, 2001)
- Walkenhost, P 2006, *Compensating lost revenue in regional trade agreements*, International Trade Department, Trade Note no. 28. World Bank, Washington, DC,
- Williams, P "The responsibility to project, Norm Localisation and African international World Bank (2006), *Global Economic Prospects: economic implications of remittances and migration*, Washington, DC: The World Bank.
- Wright, S. 'Maghrib 1984 A Region Divided', in *Africa Contemporary Record*, London, 1985.
- Yang, Y and Gupta, S 2005, *Regional trade arrangements in Africa: past performance and the way forward*, Africa Department, WP/05/36, International Monetary Fund, Washington, DC
- Yang, Y and Gupta, S 2005, *Regional trade arrangements in Africa: past performance and the way forward*, Africa Department, WP/05/36, International Monetary Fund, Washington, DC,
- Zartman, W *The Elites of the Maghreb: A Review Article*, *International Journal of Middle East Studies*, Vol. 6, No. 4 (Oct., 1975)

Zineldin, M. 'Globalisation and Economic Integration Among Arab Countries', (paper presented at the *Fourth Nordic Conference on Middle East Studies*, Oslo, 13-16 August 1998)



UNIVERSITY OF NAIROBI
College of Humanities and Social Sciences
Institute of Diplomacy and International Studies

Tel : (02) 318262
Telefax : 254-2-245566
Fax : 254-2-245566
Website : www.uonbi.ac.ke
Telex : 22095 Varsity Ke Nairobi, Kenya
E-mail : director-ids@uonbi.ac.ke

P.o Box 30197
Nairobi
Kenya

11 April 2011

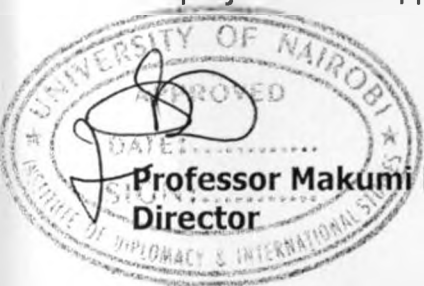
TO WHOM IT MAY CONCERN

Dear Sir/Madam

RE: MOHAMMED A.H. EL-MAGHUR – R51/76642/2009

The above named is a bonafide registered student in M.A. Diplomacy at the Institute of Diplomacy and International Studies, University of Nairobi.

He has completed his course work and is currently embarking on his research project. Any assistance accorded to him to facilitate easy access of materials for his project will be appreciated.



Professor Makumi Mwagiru
Director