
Political Economy of the Maghreb

CLAIRE BRUNEL

The Maghreb is often characterized as a region of political instability and mediocre growth. Economic reforms have taken place in recent years, with Morocco and Tunisia leading the way, but the political systems vary from a democratic republic in Mauritania to an authoritarian state in Libya. Internally, the countries suffer from divisions between state and society, urban and rural areas, and secular and religious movements.

Social unrest is high in Algeria and the threat of terrorism is rising throughout the region. Several terrorist attacks have already occurred in Algeria, Morocco, and Mauritania. Whereas violence in Morocco has been the work of pockets of opposition, other countries—particularly Algeria—are faced with nationwide terrorist networks. The Groupe Salafiste de la Prédication et du Combat (GSPC), an opposition group in Algeria, adopted al Qaeda's brand name in January 2007. Under its new name of al Qaeda in the Islamic Maghreb (AQIM), the group has become more deadly, using methods—particularly suicide bombings—that had not been used in the region for decades.¹ AQIM has claimed responsibility for a large number of attacks throughout Algeria in the past year, and in early February 2008, the group assaulted the Israeli embassy in Mauritania. This was the first instance of cross-border action from AQIM and may

Claire Brunel is a research assistant at the Peterson Institute for International Economics.

1. Craig Whitlock, "Algiers Attacks Show Maturing of Al-Qaeda Unit," *Washington Post*, December 13, 2007.

presage an evolving pattern of terrorism for the group. Since then, most acts of terror in the Maghreb have been attributed to AQIM. It remains unclear whether the authors of these attacks truly have links to al Qaeda, whether they simply use the name for dramatic effect, or whether third parties attribute the brand to them. Whatever the case, the wave of violence is growing increasingly worrisome.

Among other costs, the perception of terrorism could hurt the region's efforts to attract foreign direct investment (FDI) and tourism. French companies are repatriating some of their employees and families. The Dakar rally, an annual off-road vehicle race that passes through Mauritania, was cancelled for the first time in 2008. The government of the United Kingdom has advised against travel to Algiers. In response to these and other developments, Algerian security forces are stepping up efforts to combat AQIM. In March 2008 security forces killed 25 suspected terrorists linked to al Qaeda.² Nevertheless, foreign governments question Algeria's capacity to contain the threat and fear that AQIM might spread across the Maghreb. Morocco, Tunisia, and Mauritania are also increasing arrests of suspected terrorists with alleged links to al Qaeda.³

Maghreb countries increasingly are collaborating on security matters. For the moment, concrete steps have been limited to information sharing—in January 2006 Algeria and Mauritania signed a bilateral information-sharing agreement to combat smuggling—but at a meeting in Tunis in late January 2008, Arab ministers of the interior called for greater cooperation.⁴ North African countries are talking about creating pan-African forces specifically to combat terrorism.⁵

The threat of terrorism also has led to tighter restrictions on the movement of people and merchandise through the Maghreb. Border controls are stringent. Crossing points between Algeria and Tunisia are highly congested. Travel from Algeria into Mauritania by road has become incredibly difficult, especially due to the presence of members of the Polisario Front in a city close to the frontier (Tindouf). The Algeria-Morocco border is effectively closed to truck traffic because of political disputes between the two countries over Western Sahara. (See chapter 3 for more on the Polisario Front and Western Sahara.) In February 2007 Libya decided to

2. "Papers: Terrorists Killed in Algeria," *Chicago Tribune*, March 3, 2008.

3. Angela Doland, "Morocco Arrests 32 Over Suspected Terrorism Plots," *Virginia Pilot*, February 23, 2008; Ahmed Mohamed, "7 Charged in Attack on Israeli Embassy in Mauritania," Associated Press Newswires, February 24, 2008; "Tunisia Jails 17 for al Qaeda Links," Reuters, February 27, 2008.

4. "Arab Ministers Urge More Cooperation on Terrorism," Reuters, January 31, 2008.

5. "North Africa Made Great Strides towards Building Pan-African Forces—Minister," BBC Monitoring Middle East, January 6, 2008.

impose visa requirements on all citizens of Arab countries except Tunisia, which has seriously hampered the free movement of people and blocked regional integration. A strong reaction from the Algerian government led Libya to agree to the free movement of people and vehicles from Algeria effective as of January 31, 2008, but other countries remain stymied.

To summarize, in recent years, Maghreb countries have focused their collaboration on antiterrorism measures rather than economic integration. Internal economic reform lately has been neglected. As the United States and European Union likewise seek to eliminate terrorist activities in the Maghreb, their encouragement of security cooperation has unwittingly contributed to downgrading the economic agenda in priority. Security and economic measures, however, must be complementary. Stability in the region could help economic integration, but equally important, reforms leading to a stronger economy could promote peace in the region.

In economic performance, the Maghreb has experienced average annual growth of 5.6 percent over the past five years. This figure represents an average annual improvement of around 4.1 percent in per capita income for the region, as population growth is around 1.4 percent annually. All of the Maghreb countries struggle with high unemployment rates, especially for young men. The United Nations Development Program estimates the regional rate of unemployment at 16 percent and urban youth unemployment at almost 30 percent (Rachami 2008). The International Labor Organization's 2007 Global Employment Trends show that the Maghreb has the lowest labor-force participation rate in the world.⁶ According to UN reports, most Maghreb countries except Tunisia have low levels of human development, in large part due to the low quality of education systems. Enterprising young men and women seeking better prospects often flee to Europe.⁷

The economies of Libya and Algeria are highly dependent on petroleum and natural gas, which are great sources of foreign exchange but poor sources of employment. Agriculture remains an important source of employment for Maghreb countries, particularly for Morocco (45 percent of the workforce), despite its low share of GDP (World Bank 2007). However, global warming is likely to impact significantly the agricultural output of Maghreb countries. Morocco can expect a decrease in its agricultural capacity of around 31 to 40 percent by 2080—an effect that would be exacerbated by other consequences of a rise in temperature, such as insect pests, severe droughts, and water scarcity (Cline 2007).

6. Available at the International Labor Organization's website, www.ilo.org (accessed July 3, 2008).

7. Moreover, large numbers of sub-Saharan citizens transit through the Maghreb to Europe, often illegally.

Regional integration and stronger ties with the European Union and the United States could significantly boost growth prospects for the region, but so far the international economic agenda has been the subject of much talk and little action—as the next chapter details.

References

- Cline, William R. 2007. *Global Warming and Agriculture: Impact Estimates by Country*. Washington: Peterson Institute for International Economics.
- Rachami, Jawad. 2008. *Maghreb Integration and the Four-Sided Development Squeeze*. Washington: Center for International Private Enterprise.
- World Bank. 2007. *World Development Report 2008: Agriculture for Development*. Washington.