



DIVERSIFICATION OF POLITICAL AND ECONOMIC COOPERATION BETWEEN THE EUROPEAN UNION AND THE ARAB COUNTRIES AFTER ARAB SPRING

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Abstract: The study focuses on relations between the GCC (The council for the countries of the Gulf) and the EU and trade exchanges between them. Also are analyzed the trade exchanges between EU and the Arab world in recent years. Based on presented facts are made conclusions about the political and economic situation and opportunities for developing relation between EU and Arab Mediterranean countries

Keywords: Arab spring, Arab countries, European Union, trade exchange.

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INTRODUCTION

The Arab Spring is a concept that appeared in the 1950s, specifically in 1954. In 1958, French researcher and journalist Jack Benoua Meshen published his book entitled “The Arab Spring,” in which about 500 pages tackled the issue of the political developments in Egypt, Saudi Arabia, Kuwait, Lebanon, Syria, Jordan, Iraq and Turkey. In it he says that “the world is changing very fast, far from our expectations, and removing those who do not change as remnants at the same speed and swiftness.” (Meshen, 1958, p. 166) The Arab world and the European Union enjoy commercial, cultural, political and economic relations which are deeply rooted and can be traced to the ancient history due to the fact that both of them are close neighbors located on the two shores of the Mediterranean, which separates them and combines them at the same time. Over centuries, these relations witnessed periods of flourishing and others of declining.

Since the two parties are bound by a wide range of common interests, it is obvious that strengthening their relations in all areas is a matter of priority for both the EU and the Arab world. The Arab world provides Europe with energy resources, while Europe plays an important role in meeting Arab needs for development projects and imported goods.

1. Relations between the Arab Mediterranean Countries and the European Union

The relations between the two parties since the seventies of the last century witnessed several stages which began with the launching of what is so-called the Arab-European dialogue that took place after the first oil crisis. The Euro-Mediterranean Partnership, the so-called “Barcelona process”, was launched in November 1995 and aimed at strengthening relations between the EU and the 10 countries around the Mediterranean in the Levant and the Maghreb, namely Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the occupied Palestinian territories, Syria and Tunisia. This strengthening of the relations will be carried out by increasing the pace of economic and social development in the Arab region, and providing substantial levels of technical and financial assistance from the EU to contribute to the implementation of modernization and industrialization programs in a wide range of the main economic sectors which include, but not confined to, industry, agriculture, foreign trade, financial and technical assistance, transport, environment, communications, scientific cooperation and money laundering issues.

Institutions have been established to put Arab-European relations into a framework and to improve coordination on issues of political, economic and environmental importance to the parties. The EU has also

established special mechanisms for project financing in the countries concerned in order to reach the ultimate goal of establishing the Euro-Arab Free Trade Area by 2010. This will take place in the form of a series of bilateral partnership agreements between the EU and some of these countries; a thing which will substitute the cooperation agreements concluded in the 1970s.

The Barcelona Process received a new impetus in 2004 with the launch of the European Neighborhood Policy (ENP), which aims to reduce the gap between the EU and its neighbors and to create a space for prosperity, stability and security for all parties. The ENP provided economic integration and deeper political relations. It is concerned with the countries neighboring the Union by land, sea, in addition to the occupied Palestinian territories, Jordan, Armenia, Azerbaijan, Israel, Ukraine, Tunisia, Algeria, Georgia, Belarus, Syria, Lebanon, Libya, Egypt, Morocco and Moldavia. With this entry, the Barcelona process has been transformed into a forum for multilateral dialogue and cooperation between the EU and its Mediterranean partners.

In 2008, following the Barcelona Process' failure to establish the Euro-Arab Free Trade Area in 2010, both The Paris Euro-Mediterranean Summit in July 2008 and The Euro-Mediterranean Meeting of Foreign Ministers held in Marseille in November 2008 launch the new partnership program: Union for the Mediterranean, under whose umbrella the cooperation agreements were launched to activate the Neighborhood Policy and to focus on promoting human and sustainable development through projects and initiatives in six sectors:

- **Business Development.**
- **Higher Education and Scientific Research.**
- **Social and Civil Affairs.**
- **Energy and Climate Measures.**
- **Transport and Urban Development.**
- **Water and Environment.**

The Union currently comprises 28 member States of the European Union and 15 partners from the southern Mediterranean and the Middle East region: Albania, Algeria, Bosnia and Herzegovina, Egypt, Israel, Jordan, Lebanon, Mauritania, Monaco, Montenegro, Morocco, Palestine, Turkey and Syria (whose membership was suspended in December 2011), in addition to Libya who functions as observers. The headquarters of the Union is the city of Barcelona, co-chaired by the European Union and the Mediterranean countries.

The main projects on the agenda run by the General Secretariat of the Union for the Mediterranean are:

- Eliminate pollution of the Mediterranean Sea, including coastal and protected marine areas.
- Construction of marine and land highways connecting ports and improving rail networks to facilitate the movement of people and goods.
- A joint civil protection program on the prevention, preparedness and response to natural and man-made disasters.
- Several projects aimed at developing alternative energy sources in the region, such as the **Tafila** wind farm and the Mediterranean solar plan.
- The Euro-Mediterranean University, which opened in Slovenia in June 2008, is a university in **Faz** that started its activities in 2015/2016.
- The Mediterranean Business Development Initiative, which supports small businesses operating in the region, first assesses their needs, then provides technical assistance and facilitates access to funding.

In recent years between 2013 and 2017, several ministerial conferences of the Union for the Mediterranean were held, including: a conference on the promotion of the role of women in society 2013, a conference on transport 2013, a conference on energy 2013, a conference on industrial cooperation 2014, a conference on the digital economy 2014, Conference on Regional Cooperation and Planning 2016, Conference on Energy 2016, Conference on Water 2017, Conference on Urban Development 2017.

2. Partnership Agreements Concluded in this Framework with Some Arab Countries

The previous agreements concerned commodity trade, ongoing negotiations on trade in agricultural commodities, liberalization of trade in services and investment flows (still small between the two parties) and the establishment of a free trade area. It is worth mentioning that within the framework of the budget proposals for the period 2014–2020, the European Commission recommended the allocation of more than \uparrow 18.1 billion to support the 15 neighboring partner countries in the east and south. The European Union provides substantial

financial support to the Union for the Mediterranean secretariat and contributes to more than 50 percent of its budget.

3. Relations between the GCC¹ and the EU

The World Bank classifies member states of the GCC as high-income economies and therefore do not enjoy preferential access to EU markets under the GSP. Steps have been taken to strengthen economic relations between the two parties through the signing of the cooperation agreement in 1988 which includes a commitment from the parties to enter into negotiations on a free trade agreement purposed for the gradual, mutual liberalization of trade in goods and services, and aims to ensure the existence of a similar level of market access. It covers, inter alia, the rules and regulations of intellectual property rights, rules of origin, human rights and terrorism. The agreement provides for the holding of joint annual ministerial meetings between the European Union and the foreign ministers of the Gulf Cooperation Council Countries and the joint high-level cooperation committees. Negotiations in 1988 have started and stopped several times since 1990 and resumed in March / March 2002, but was suspended by the GCC in 2008 with the approval of the European demand continuing consultations between the two sides until provide a common ground for the resumption of negotiations.

It is still the current framework for economic and political cooperation that seeks to improve trade, economic and political relations, stability in a strategic region for Europe, expand economic and technical cooperation and expand cooperation in energy, industry, trade, services, agriculture, fisheries, investment, science, technology and the environment.

Since 2007, the funding instrument for cooperation with high-income countries, industrialized countries and other regions (ICI) has become a framework for financial cooperation activities between the EU and the Gulf region.

In May 2017, the European Union and the Gulf Cooperation Council (GCC) launched a dialogue devoted to trade and investment issues, with the participation of their respective private sectors. This dialogue provides a platform for addressing issues related to trade and investment and promoting cooperation on areas of common concern such as market access barriers and regulatory requirements and ways to promote trade and investment flows in both directions.

The EU opened two diplomatic representation offices in Saudi Arabia covering five GCC countries (Bahrain, Kuwait, Oman, Qatar and Saudi Arabia) and a second representative in Abu Dhabi in 2013 to cover the United Arab Emirates.

4. Collaboration tools

Since 2007, the funding instrument for cooperation with high-income and industrialized countries and other countries (ICI) has become a major instrument of financial cooperation between the EU and the Gulf region. Among the projects funded by the EU-GCC clean energy project, trade and trade cooperation between the EU and the GCC¹. In 2014, the tool was replaced by the so-called Partnership Tool, which provides a new framework for cooperation between the two sides in various areas, including security, social, economic, educational, cultural and scientific fields, as well as human rights. In the European Union and the Gulf Cooperation Council.

5. Trade exchanges between the EU and the GCC countries

The total trade in goods between the GCC and the EU in 2016 was about 138 billion euros (down 11% from 2015 to ↑ 155 billion). The EU is the first trade partner of the GCC in 2016. Its exports to the GCC represent 20.7% of its imports. Thus, the EU is the first source to the GCC countries, while it imports 8.6% of GCC exports, Imported From Cooperation Council.

Since 2006, trade between the two sides has grown steadily, but GCC exports to the EU have been declining since 2014, while imports from the EU have continued to increase until 2015 and then declined in 2016. EU exports to the Gulf region in 2016 Of which 49% were manufactured, 11.4% were chemicals, 11% were agricultural and raw materials, while EU imports from the GCC were mainly fuels, mining products 65.9% and chemical products 12.3%.

¹ The council for the countries of the Gulf.

6. Trade Exchanges between the EU and the Arab World

If the availability of raw materials and the low wages of Arab labor help to develop trade and investment relations between the two parties, the lack of competitive Arab production structure and the lack of diversification of Arab exports is an obstacle to Arab exports to Europe, and the political and social developments experienced by the Arab world Since the launch of the so-called Arab Spring led to the reduction of trade exchanges between the two parties. But there is no doubt that the agreements between the EU and some Arab countries have boosted the levels of trade between the two sides. The EU is the first trading partner of the Arab countries, while the Arab world accounts for about 8.6% of the EU's trade in 2016 (it should be noted that the share of the Arab world in these exchanges was 10% in 2013, The United Arab Emirates, Saudi Arabia and Algeria are among the EU's leading trade partners among the Arab countries, accounting for 1.5%, 1.6% and 1.1%, respectively, of the total trade of the Union. It is worth mentioning that the Arab countries as a whole came in 2016 as the second market for European exports after the United States of America, and ranked fifth as a source of the European Union after China, Russia, the United States and Switzerland.

The following data show the exchanges between the Arab countries and the European Union in 2016, as well as the importance of the first Arab trading partners among the main trading partners of the European Union.

Table 1.

| EU Top Trading Partners 2016 | | | | | | | | Value Moi € |
|------------------------------|------------------|----------|--------------|--------------------|------------------|----------|--------------|-------------|
| | EU IMPO | Rank | % | | EU EXPO | Rank | % | |
| Total | 1,708,318 | - | 100,0 | | 1,745,247 | - | 100,0 | |
| China | 344,468 | 1 | 20,2 | USA | 362,153 | 1 | 20,8 | |
| USA | 247,825 | 2 | 14,5 | China | 170,083 | 3 | 9,7 | |
| Switzerland | 121,669 | 3 | 7,1 | Switzerland | 142,455 | 4 | 8,2 | |
| Russia | 118,811 | 4 | 7,0 | Turkey | 78,005 | 5 | 4,5 | |
| Turkey | 66,702 | 6 | 3,9 | Russia | 72,408 | 6 | 4,1 | |
| Arab World | 102,024 | 5 | 5,9 | Arab World | 193,884 | 2 | 11,0 | |

| EU commercial exchanges with Arab world 2016 | | | | | | | | Value Moi € |
|--|----------------|------------|------------|------------------------|----------------|------------|-------------|-------------|
| | EU IMPO | Rank | % | | EU EXPO | Rank | % | |
| KSA | 19,030 | 19 | 1,1 | UAE | 45,859 | 8 | 2,6 | |
| Algeria | 16,503 | 22 | 1,0 | KSA | 33,918 | 14 | 1,9 | |
| Morocco | 13,809 | 25 | 0,8 | Morocco | 20,791 | 20 | 1,2 | |
| Iraq | 10,343 | 31 | 0,6 | Egypt | 20,643 | 21 | 1,2 | |
| Tunisia | 9,317 | 32 | 0,5 | Algeria | 20,365 | 22 | 1,2 | |
| UAE | 9,203 | 33 | 0,5 | Tunisia | 10,454 | 30 | 0,6 | |
| Egypt | 6,692 | 38 | 0,4 | Qatar | 9,633 | 31 | 0,6 | |
| Qatar | 5,191 | 43 | 0,3 | Lebanon | 6,652 | 37 | 0,4 | |
| Libya | 4,883 | 45 | 0,3 | Kuwait | 5,454 | 39 | 0,3 | |
| Kuwait | 3,309 | 52 | 0,2 | Oman | 4,183 | 47 | 0,2 | |
| Bahrain | 0,660 | 85 | 0,0 | Jordan | 4,058 | 48 | 0,2 | |
| Mauritania | 0,428 | 97 | 0,0 | Iraq | 3,529 | 52 | 0,2 | |
| Oman | 0,414 | 100 | 0,0 | Libya | 3,448 | 53 | 0,2 | |
| Lebanon | 0,410 | 101 | 0,0 | Bahrain | 1,764 | 70 | 0,1 | |
| Jordan | 0,338 | 103 | 0,0 | Sudan | 0,861 | 92 | 0,0 | |
| Sudan | 0,184 | 122 | 0,0 | Mauritania | 0,647 | 101 | 0,0 | |
| Syria | 0,680 | 144 | 0,0 | Yemen | 0,588 | 110 | 0,0 | |
| Djibouti | 0,270 | 157 | 0,0 | Syria | 0,433 | 121 | 0,0 | |
| Yemen | 0,190 | 160 | 0,0 | Djibouti | 0,35 | 127 | 0,0 | |
| Palestine | 0,170 | 161 | 0,0 | Palestine | 0,254 | 136 | 0,0 | |
| Tot. Arab World | 102,024 | 5 | 5,9 | Tot. Arab World | 193,884 | 2 | 11,0 | |

Fig. 1. Exporters of the European Union

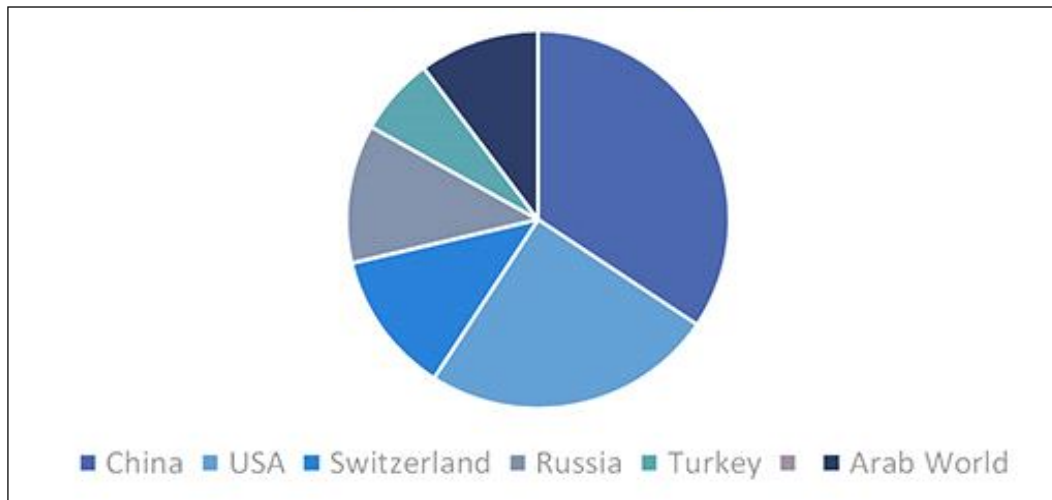
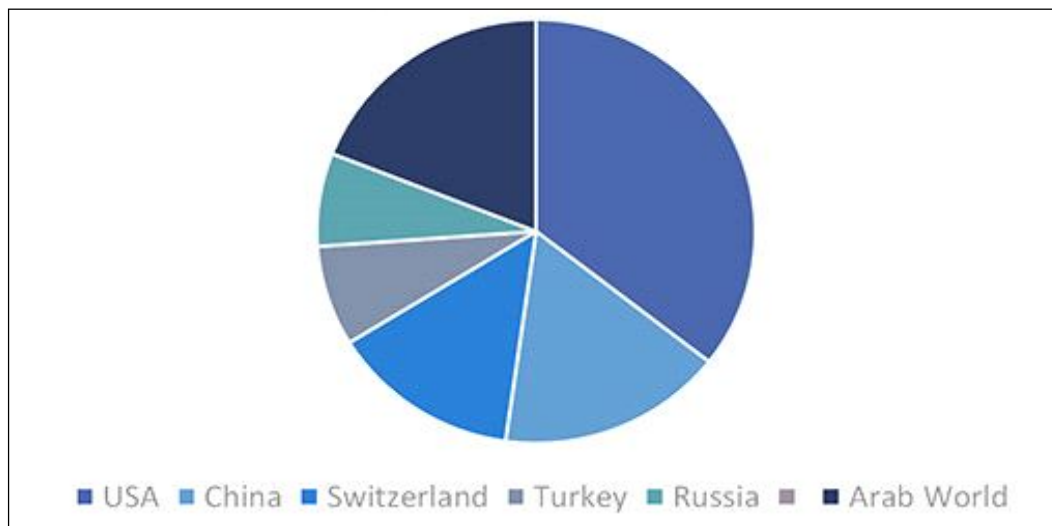


Fig. 2. Importers from the European Union



CONCLUSION

In conclusion, more than 20 years ago, together with the European Union's huge spending, the Euro-Mediterranean partnership has not achieved the desired objectives of deepening security on both sides of the Mediterranean, reducing migration, promoting economic development and making progress in the peace process. To make matters worse, Europe is currently in a difficult situation. It does not have a truly unified foreign policy, and Arab states have no common strategy towards Europe.

It is clear that the European Union was mainly aimed at the Barcelona process and others to limit the migration coming from these countries. The cooperation agreements between the EU and the Arab countries did not give priority to the needs and aspirations of the Arab people, but focused more on the EU's desire to make the Mediterranean region a stable region on the one hand and the need of some Arab countries to obtain funding on the other.

By 2011, and the conditions that have passed through some Arab countries, EU support has focused on three pillars: financial, market and mobility. Since the EU countries have been subjected to terrorist attacks, the European Union has given priority to its relations with Arab countries to fight terrorism and to stop immigration,

which has increased dramatically in 2015 due to wars and instability in the Arab region. The economic relations between the two sides are more entrenched than political relations. The current situation in the Arab region has led to some kind of stagnation in the initiatives aimed at developing relations between the two parties and with the emergence of emerging economic powers in the region such as China, Russia, or seeking to play a role in the region such as Turkey and Iran, there seems to be a need for new and more balanced formulas for Europeans and Arabs to recognize the new reality that imposes itself.

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