

Algeria's Relationship with the European Union in Light of the Euro-Mediterranean Partnership

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Abstract:

Relations between Algeria and the European Union (EU) are structured around the Association Agreement (AA) signed in 2002 within the framework of the Euro-Mediterranean Partnership and which officially entered into force in 2005. This agreement builds upon a long history of economic and political exchanges between Algeria and Europe. Since gaining independence, Algeria, as a gateway to Africa, benefited from extensive customs preferences within the European Economic Community (EEC) until the early 1970s. However, by 1972, some European member states, particularly Italy, sought to limit such preferential treatment for Algerian agricultural goods. This shift prompted Algeria to initiate negotiations with the European Community under the framework of the EEC's Global Mediterranean Policy, leading to a new cooperation agreement supported by financial protocols, which were renewed every five years.

This article seeks to analyze the 2005 Association Agreement by examining its political, economic, and trade dimensions, as well as its implications for technical and financial cooperation and humanitarian aid. It explores the extent to which the agreement has shaped Algeria-EU relations and assesses whether it has fulfilled its intended objectives. By evaluating the key provisions and their impact, this study provides insight into the evolving nature of Algeria's partnership with the European Union and the broader dynamics of Euro-Mediterranean cooperation.

Keywords: European Union, Algeria, partnership, association agreement, trade relations, cooperation.

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Introduction:

Following independence, the colonial history of Algeria played an important role in separating it from Europe, adding to the civil war that the country underwent between 1991 to 2001 which represented a real obstacle for Algerian's foreign policy's expansion, but this doesn't signify that it didn't have relation with the EU. Algeria was a member state of the EU because it was part of France before decolonization, but this relation was suspended in 1962. The relation with the EU started actually in 1972 with the Mediterranean Global Programme, then a cooperation agreement was signed in 1976. Moreover, between the year of 1976 and 1995, four extra protocols agreements were concluded with Algeria and in 1995 the Barcelona Convention and the European Neighbourhood Policy in 2004.¹

The economic relations of Algeria with Europe consolidated more in the first decade of the twenty-first century when Algeria in light of the Euro-Mediterranean partnership signed a treaty with the European Union in 2002 which entered into force in 2005. The treaty covers politics, economy, trade, technical and financial cooperation and humanitarian aid. However, France was the country that maintained its economic relations with Algeria due to the colonial roots, so it gave it the opportunity to benefit from the Algerian natural resources as oil and gas and all the hydrocarbons existing in this territory. Moreover, the French continued after independence trading with Algeria and exchanging commercial products between each other.

Adding to the historical factor, the Algerian strategic geographical position in the Mediterranean basin and its proximity with Europe is another factor that allows it to establish economic ties with the European Union. Moreover, with the declaration of the treaty of Rome in 1957 that established the European Economic Community, several conventions were signed between the EU and the Magreb states which started with micro-Mediterranean policy, that developed to the global Mediterranean policy.

¹VolcallpeK, North African Colonialism and the EU, Palgrave Mcmilan ,Istambul Turkey, p.95, 2019.

It is also important to note that Algeria's economic dealing with the EU was subject to some obstacles in the sense that in 1970 when Algeria was used to benefit from all the customs preferences, Italy was the European state to oppose the granting of the privileged status to the Algerian agricultural goods asking the EU to renew the negotiation within the context of the ECC's global Mediterranean policy in 1972 which led to a new treaty formalised in 1978. Consequently, the agreement was renewed every five years and Algeria could take profit from the four protocols(1978-1996). Adding to that, the EU granted Algeria financial aid estimated at 784 million ECUs and 640 million ECUs from the European Investment Bank in the form of soft loans.

The association Agreement that Algeria signed with the EU in 2005¹ was followed in 2017 by the Partnership Priorities Agreement under the context of the European Neighbourhood Policy with the EU. In the same year, the two partners agreed on another association agreement concerning politics to maintain the EU's member states relation with Algeria until 2020. In this time, Algeria received from the EU an allocation of £40 million to sustain investment in Algeria in the renewable energy as well as in public finance reforms and public services. The EU aid to Algeria was also provided in regional security and stability and the fight against irregular immigration. This article will try to analyse the different themes discussed in several fields between the two parties in the association agreement of 2005.²

1. Political themes Discussed between the EU and Algeria:

In politics, the main themes which are discussed between the EU and Algeria are mainly, governance, security, migration and mobility, they are debated with association council (ministerial) and high-level civil servants. Moreover, the dialogue in politics is in all matters that are the field of interests of both parties. In governance, rule of law and fundamental rights, including strengthening the judicial system and promoting the role of civil society.

¹Dr.Dr.Yahia Mohamed LamineMestekm, Algerian-European Relations: Between Partnership and Servitude retrieved from. [https://manaramagazine.org/2021/03/algerian-european-relations-between-partnership-and-servitude/March 16, 2021](https://manaramagazine.org/2021/03/algerian-european-relations-between-partnership-and-servitude/March%2016,%202021).

²VolcanIpek, op.cit.,p.95-96.

Concerning security, the political dialogue turns around ensuring regional stability and security whose objective is to eradicate terrorism and fight against fundamentalism and radical invasion that threatens social and religious peace.

It is worth to note that Algeria expressed its desire to revise the Association Agreement on 15 August 2015 and the agreement was under re-evaluation in 2016 with several debates in different meetings. Finally, on 13 March 2017 priorities concerning the convention were settled at the 10th association council in Brussels, among which are: Dialogue about the rule of law and fundamental human rights, they also dealt with economic promotion and trade. The priorities also included the energy sector and environmental protection. Moreover, the agreement comprises human dimension, migration and mobility.¹

1.1 Security Dialogue:

Basically, Algeria was subject to French colonisation for 132 years, from 1830 to 1962 and after seven years of intensive war of liberation that broke out in 1954 it could free itself from the French coloniser. Following independence, a military and authoritarian regime took over power. However, it was the army which overthrew the first Algerian president Ahmed Ben Bella who was replaced by Pre. Houari Boumedien who dissolved the 1963 Algerian constitution and the country was ruled by a party called the FLN (National Liberation Front). The second constitution was issued in 1976 but with the coming of Pre. Chadli Bendjdid, Pre. Boumedien's successor (1979-1988), new political reforms were introduced as the multi-party system which allowed for the creation of different political parties to participate actively in politics.

The introduction of pluralism in Algeria led to the emergence of political Islamism giving birth to the Front Islamic du Salut (FIS) and the main opposition party empowered by a popular support. Consequently, this party provoked a serious threat to social and political life in the state which made the government suspend elections with the army's

¹Press and information team to the delegation of Algeria, The European Union and Algeria, retrieved from :https://www.eeas.europa.eu/algeria/european-union-and-algeria_en?s=82, August 04, 2021.

intervention in 1992 which strengthen its position in the political elite and the civil war broke out in Algeria disturbing the public order. After ten years of struggle against terrorism, the Islamist movement was eradicated in the 2000's with the loss of 100 000 innocent people. In 1999, Pr. Abdelaziz Bouteflika was elected. This latter, limited the military power, but established another authoritarian regime in his second term.

It is important to note that as Algeria was colonised by France, it impacted on EU policy towards it because of the French desire to keep EU arms from it. However, in 1995 Algerian relations with the EU started to develop more especially in terms of security and the European countries's fear of the spread of terrorism in the European continent. Moreover, the EU project to democratise Algeria as it attempted to do in other African countries was delayed and replaced by a security dialogue because Algeria was undergoing extremism in the black decade. Additionally, after 11 September attacks, Euro-Mediterranean relations were shaped by a security process that prioritised democratisation.¹

In 2005, the EU has provided only 10 M £ for democratisation, whereas it reserved to illegal immigration 800M£. Additionally, the EU refused to deal with political Islam and rejected any dialogue with the Islamist actors within the inter-cultural context preferring to cooperate with the political elites considered as the official authority in the state.²

Basically, since 1975, Algeria traded with the EU under a trade and a corporation agreement and in 1996 a Euro-Mediterranean association agreement was discussed between the two parties. However, as Algeria was undergoing a fragile political and economic situation due to the black decade which took birth in 1991, the negotiation with foreign countries was difficult.

Adding to that, the EU in this period of time didn't react to Algeria's position during 6 years until 1998 when the EU's troika visited Algeria on a political mission. Later on, the European member states, started to consider seriously the extremist events in Algeria and

¹Miichelle Pace and Peter Seeberg, *The European Union's Democratisation Agenda in the Mediterranean*, Routledge, USA, Canada, 2010, p.184.

²Miichelle Pace and Peter Seebergop. cit, p.185.

showed their intense support to it when it was struggling to eradicate this phenomenon.

Adding to that, both parties focused on the importance of peace and the respect of human rights and called for democracy and rejected all forms of violence that endangers the Algerian citizen's life and also the stability of the Euro-Mediterranean area.¹

1.2 Immigration Dialogue:

In the Euro-Mediterranean agreement of 2005, the EU reserved a whole chapter to immigration. This concern emerged before the ratification of the Amsterdam Treaty in 1999. This convention focused on the necessity to establish a space of security between the two partners, that is the EU and third world countries in order to communicate easily.

1.2.1 Irregular Immigration

EU tried to a large extent help its partners to fight against irregular immigration which will Inevitably disturb the social life of the destination countries and can also be at the origin of terrorism. Besides, another important point is the asylum seeker which may threaten the trustworthiness of the European asylum system.²

In recent years after the Arab spring, the EU took restrictive measures against irregular immigration in different countries as Algeria, Tunisia, Morocco, Egypt, Libya and Mauritania.

In Algeria, a strategic point of transit from neighbouring countries as Mali and Niger to Europe notably the most targeted states as Italy and Spain. Consequently, the Italian minister for interior, Roberto Maroni prohibited landing in Sardinia to avoid irregular immigration.

¹ Christopher Hill and Karen E. Smith, *European Foreign Policy, Key Documents*, London and New York, Routledge , 2002, p. 344.

² Michela Ceccorulli and Nicola Labanca, *The EU, Migration and the Politics of Administrative detention*, Routledge, Taylor and Francis group, London, New York, 2014, p.192.

In 2005, when the association agreement was signed, few immigrants were killed in Ceuta and Melilla because they were trying to reach Spain illegally, although the Algerian authorities saved hundreds of people in an informal camp in Maghnia. However, in 2008, Algeria supported a law with restrictive measures on illegal immigration concerning states and movement of foreigners. The law consisted of the establishment of camp for irregular foreigners to return to their homelands. This law was stimulated by the transnational organised crime and the fight against terrorism.¹

1.2.2Regular Immigration:

Basically, the EU was regarded as one of the most targeted area for legal and illegal immigration to the Maghreb states, that is Algeria, Morocco and Tunisia and in order of preference as France, Italy, Belgium, the Netherland, Germany and Spain. Since the nineteenth century, a flow of immigrants headed to this countries from North Africa mainly from Algeria whose statistics that were recorded turned around 819000 in 1987 to 660256 in 1998 and recently this number increased in millions according to sources of information given by the ministers of interior of Italy and Spain. It was also noticed that immigration was controlled in France, Belgium, Germany and the Netherland, but in Portugal many workers from illegal immigrants are employed in tourist industry.

It is worth to note that for the member states adopting a policy immigration towards third country nationals is a very difficult task that is why the EU rules are implemented in the member states differently depending on the experience of each state with their immigrants. Additionally, among the European states for which the immigration policy was hard to execute is France, to the point that in the period of Charles Pasqua, the former minister of interior, the French government restricted the visa control and the ministry was very sever with illegal immigrants.

The Algerian immigrants are mostly attracted by France due to some historical factors as the past colonial period, so since independence a wave of immigration headed to this country. However, because of the emergence of the Islamic movement in Algeria in the black decade, an important decrease in immigration was noticed. Besides, although the

¹Michela Ceccorulli and Nicola Labanca, op.cit, p.195.

application for immigration was under restrictive rules , the entry still possible.¹

In 1999, The Tampere European Council declared a five-years programme for Justice and Home Affairs comprising immigration and asylum determining immigration borders and asylum in four policy categories, a) partnership with countries of origin; b) a common European asylum system; c) fair treatment of third world nationals and management of immigration flow (Tampere conclusion 1999). However, the Hague programme created in 2004 by the European Union established the immigration policy between 2005 to 2010 that aimed to arrange all stages of immigration it also mentioned the possibility of admission of the students and workers as another law of the EU.²

1.3 Trade Partnership:

Basically, Algeria as a potential partner from African countries signed the association agreement with the EU to discuss several themes. In the economic field, especially in trade. The trade funds between them increased 136% between 2002 and 2012, because of the amount of petroleum and gas product export as Algeria has a large exchange with the EU notably in the energy sector.

1.3.1 Algeria Exports to the EU.

Algeria is the third largest supplier in natural gas to the EU which promotes European investment in Algeria in natural gas and renewal energy. In the period between 2008 and 2012, the economic exchange raised about 5 percent per year especially from Algeria in oil export.

However, in 2014 this increase reached 96.7 percent of Algerian exports of hydrocarbons (fuel and mining products). In 2015, it was about \$43 billion. In this year, 99.7% of export from Algeria to the EU were energy and petroleum derived products.

¹ Joanna Apap, *The Rights of Immigrants Workers in the European Union*, Kluwer law International, the Netherlands, 2000, p.80-82.

² International Organization for Immigration, *Laws for Legal Immigration in the 27 EU Member States*, Switzerland, 2009, p.20.

To extend the trade on renewable energy, another action was undertaken to reinforce this partnership. It consisted of signing a Memorandum of understanding on strategic energy partnership in July 2013. It intended to promote European investment in Algeria despite the In Amenas Crisis that was supposed to worsen the EU's relations with Algeria but it was not the case because the EU tried to maintain this pact to protect its economic interests in Algeria.

The trade on hydrocarbons is in Article 16 of the association agreement. It insists on the fact that both parties should consolidate their relations in oil and gas exploration and other services as oil and electricity distribution.¹ It is worth to note that Algeria's export of hydrocarbons in the period between 2005 and 2019 was about USD 15 billion whereas the imports were recorded about US 675 billion which shows us that the difference between the imports and exports marked a noticeable deficit in the Algerian trade with Europe. Moreover, other losses of about USD 19 billion were noticed due to the taxes and benefits granted to the member states of the union through the Association Agreement. Adding to that, the local production in this period was characterised of being far to be able to rival with the European countries which made the Algerian consumer subject to the consequences as the high prices of the imported products.²

1.3.2 The EU's Exports to Algeria

In 2015, the EU's exports to Algeria were made up of industrial products (85.5%) and agricultural products (14.4%). The majority of industrial product exports were machinery, electrical equipment, and transport equipment, base metals and chemical products. These exports represent \$22.3 billion. European investment in Algeria are estimated at 14 billion, or 40% of foreign direct investment in the country.

¹Rafael Leal, Acras, Costantino Grasso, Juan Alemany Rios, *Energy Security Trade and the EU Regional and International Perspectives*, Edward Elgar Publishing, UK, USA, 2016, p.119-120.

²Dr. Yahia Mohamed Lamine, *Algerian-European Relations: Between Partnership and Servitude*, retrieved from <https://manaramagazine.org/2021/03/algerian-european-relations-between-partnership-and-servitude/>, 16.03.2021.

In 2020, European export to Algeria were about 13.5 billion consisting of machinery and transport equipment (28.9%), agricultural products and raw materials (23,7%) and chemicals (20%).¹ However, Adding to what have been said, it is worth to know that the first dispute between the two parties noticed in the 2002 agreement was due to restrictive measures taken by Algeria towards the EU between the 2015 and 2019. The measures were on the import's cars, automatic and non-automatic, exports licenses and consumer goods...act. Another dispute occurred in 2021 due to other restrictions as imposing on importing companies to re-register in order to still working in Algeria and the measures was about materials, products and goods destined to resale in Algeria. Moreover, in 2022, Algeria terminated the trade operations with Spain due to the declining of the diplomatic relations. Also, in 2024 the Algerian banks rejected direct debit request for the import of marble and ceramic products in their final form.²

Another important point is that Algeria these recent years initiated a concrete boost for local industry for economic self-sufficiency to avoid relying on the intensive export of hydrocarbons to Europe.

Besides, the government tried to enhance the local production to decrease the amount of the industrial imported products from Europe and to satisfy the demand of the Algerian consumer.³

1.4 Humanitarian Sector

In the Western Sahara, live 90 000 refugees who receive an important humanitarian aid from the EU which plays a pivotal role in supporting these people.

¹Delegation of the European Union to Algeria, The European Union and Algeria, retrieved from https://www.eeas.europa.eu/algeria/european-union-and-algeria_en?s=82,04.08.2021.

²Freshfields and Risk Compliance, EU initiates second dispute procedure settlement with Algeria over trade restrictions with implication for potential investment arbitration, <https://riskandcompliance.freshfields.com/post/102jbms/eu-initiates-second-dispute-settlement-procedure-with-algeria-over-trade-restrict,01.07.2024>.

³Frontiers views, Navigating Import Restrictions in Algeriaretrieved from: <https://frontierview.com/insights/navigating-import-restrictions-in-algeria/>, May 7, 2018.

Food, water, health care is provided for the Sahrawi who are living in harsh conditions suffering from poverty, malnutrition that affect almost 11 millions of children. The camps are located in a remote region which makes it difficult for the aid organizations to reach this area to help the people.

Nearly 80% of the Sahrawi refugees are depending on daily food assistance. However, the EU is considered as one of the main donors in this crisis. Since 2009, the EU distributed £220 million in aid. A water network was built and 70% of it is delivered through the network. Moreover, the EU contributes in the children education investing in the infrastructures and schools.¹

Since 2023, the amount of EU contribution supporting WFP's operations in the camps realised £ 97 million. It contributed with 2000 tons of in-kind food assistance per month. Additionally WFP also assisted the refugees with special food assistance to avoid any malnutrition and anaemia.²

Conclusion:

Algeria is one of the greatest partners of the EU Southern neighbourhood and relations between it and the European Union (EU) are based on the association agreement (AA) as part of the Euro-Mediterranean partnership signed in 2005. This partnership dates back to 1995 in the Barcelona Conference when the EU emphasised the accomplishment of an area of peace and a prosperous economic exchange relying on democratic principles and human rights. Among the goal of this partnership is to promote stability and integration throughout the Mediterranean region and debating regional issues and supporting the socioeconomic development. However, the Association Agreement may lead to a collapse because the relation between the two parties were

¹European Commission, European Civil Protection and Humanitarian aid Operations, retrieved at: https://civil-protection-humanitarian-aid.ec.europa.eu/where/middle-east-and-northern-africa/algeria_en, 2018.

²News and Press Release, UFP and EU mark first Annual- Partnership in Support of Sahraoui Refugees, retrieved at: <https://reliefweb.int/report/algeria/wfp-and-eu-mark-first-year-multi-annual-partnership-support-sahrawi-refugees>, July 31, 2024.

supposed to achieve common goals, but the continuous exploitation of the Algerian energy sector by the EU without assisting the Algerian economy represents a problematic situation that has to be resolved.

Moreover, the agreement was destined to develop the Algerian market but the outcome of the convention led to the stagnation of the Algerian economy. Also, this pact was intended to support Algerian membership in the world trade organisation that was not achieved only after ten years of agreement's signing. Moreover, states as France contributed to slow this process which was considered as a European strategy to force Algeria to remove tariff barrier and take profit from Algerian hydrocarbons.

In this context many experts noticed that the Euro-Algerian relation may lead to a serious failure if there is no a concrete change of the current policy in the future by reinforcing a real partnership that supports the modernisation and improvement of the Algerian economy.