

# Maghreb-Spain Relations: a View From the Maghreb

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## **Relations Between Spain and the Maghreb: an Emerging Joint Awareness with a View to Developing a Partnership that Today is Undervalued**

An objective observation of the state of the economic, political and cultural relations between the Maghreb and Spain reveals that the partnership between Spain and the Maghrebi countries as a group masks the potential of major cooperation – a potential that remains either undervalued or as yet unexplored. This under-exploitation of the possibilities of the Spanish-Maghrebi partnership is paradoxical, given that they are close neighbours and are bound together by the ties of history, shared geo-strategic and economic interests and an unavoidable common destiny within the framework of the Euro-Mediterranean space that is currently under construction.

Ever since the mid-1980s, there has undoubtedly been an increased awareness of this, and from the early 90s onward this awareness has been further encouraged by the pressures created by the clandestine migration from the Maghreb to Spain, the rise of Islam in the region, the events of 11th September in the United States, and the economic war being waged by the transnational networks of industry, telecommunications, finance and various services. This economic war prompts strategic alliances in accordance with a worldwide logic of localisation, in which the Maghreb is an essential staging post on the way to conquering the African market.

It is for these reasons, and by way of an example, that several accords have been reached with Morocco:

- a fiscal accord reached in 1986 to prevent dual taxation, an accord on economic and financial cooperation in 1988, an accord on international land transport of goods in 1988 and a reciprocal accord on promoting and protecting investment in 1989
- a friendship treaty on good neighbourly relations and cooperation was signed in June 1991
- an important joint declaration issued by the high-level meeting was approved on 6th February 1996
- a mixed committee, charged with promoting and developing greater knowledge and understanding between the peoples of Morocco and Spain, and called the Averroës Committee, was set up on 6th March 1997

Other similar initiatives have been set in motion with Morocco and other countries of the Maghreb since this date, but it is clear that neither the current level and nature of commercial relations nor the volume of movement of people, capital and technology have reached the standard that a real partnership between the Maghreb and Spain ought to be capable of reaching. It is on these and other levels that the major strategic stakes of the relations between Spain and the Maghreb are to be found.

## **The Major Stakes of the Relations Between Spain and the Maghreb**

Three strategic stakes warrant particular attention in any analysis of the relations between the Maghreb and Spain: their differing dynamics in both demography and development; the management, not yet fully mastered, of migration; and economic co-operation that is at a point below the existing potential.

### *Differing demographic dynamic*

An analysis of the data concerning the respective population levels and resources in the Maghreb and Spain reveals the existence and development of differing demographic dynamics that are highly prejudicial to the equilibrium and stability of the southern Mediterranean region as a whole. These different dynamics are visible in the form of a decreasing birth rate and increasing prosperity in Spain, and of a veritable population explosion against a background of growing social fracture in the Maghreb.

The population of countries such as Algeria, Libya, Morocco, Mauritania and Tunisia was adjudged in 2001 to stand at 78 million, which is 27% of the entire population of the Arab world. The annual rate of increase between 1975 and 2001 is estimated to be at 2.3%. Morocco and Algeria account for 77% of the total population of the Maghreb, a proportion that has been almost constant since 1975 and is likely to remain so until 2015.

The countries of the Maghreb are divided into two groups with regard to changes in population. There are those that have recorded relatively rapid demographic transition, principally Tunisia, Algeria, Libya and Morocco, whose average annual rise has dropped notably over the last 20 years to below 2%. Mauritania alone has demographic growth rates of over 2%. As for Spain, a forward looking examination of the demographic changes that will have taken place in 2015 shows weak population growth amounting to only 0.1% in the period 2001-2015, as opposed to 0.5% between 1975 and 2001.

These differing dynamics will have an impact on the demographic and economic weight of the Maghreb and Spain that will be seen around 2015. The Maghreb had a population 20% larger than that of Spain in 1975, and this is a trend that will become even more pronounced as we approach the year 2015, when the countries of the Maghreb will between them have an estimated population of 97 mil-

lion inhabitants, more than double Spain's estimated figure of 41 million. This evolution in population levels on the two shores of the Mediterranean will undeniably have repercussions on the structure of the population according to age group, notably on the potentially active population, and on the differing changes in the populations' needs within the spheres of employment, basic infrastructure, essential social services, and the pressures on natural and financial resources required for lasting and sustained human development, the current level of which is either stagnant, as is the case in certain countries of the Maghreb, or in regression, as seen in other instances, and which is in either case subject to constant swings, denoting a real instability – both structural and related to the particular circumstances of the moment – in growth and development in the countries of the Maghreb.

If we look at age groups, the proportion of children aged under 15 in Tunisia, which seems to have begun its demographic transition, did not exceed 29% in 2001. This proportion is estimated to fall to 22% in 2015. Algeria, Libya and Morocco have very similar structures in terms of age group and total fertility rates. In contrast, Mauritania, which had a total fertility rate of 43.2% in 2001 and has a forecast rate of 41.7% in 2015, is marked by a very slow demographic transition and so runs the risk of aggravated social pressure with regard to meeting the essential needs of the population.

In Spain, the structure of the population by age group is characterised in comparison with Maghrebi countries by the considerable proportion of people aged over 65, who in 2001 accounted for 16.9% of the population, as opposed to 5.8% in Tunisia, 4.3% in Morocco and 3.4% in Mauritania. The ageing of the Spanish population will continue: it is forecast that by 2015, 19.2% of the population will consist of people aged over 65, compared with 6.7% in Tunisia, 5.1% in Morocco, 5.5% in Libya, 4.9% in Algeria and 3.5% in Mauritania.

Country	1990	2000	2001	2002	2003
Algeria	109	107	100	106	107
Tunisia	102	101	89	97	91
Libya	65	72	59	64	61
Morocco	126	124	112	123	126
Mauritania	149	147	139	152	154

Source: Human Development Report 2003, UNDP.

This differing demographic profile on the two shores of the Mediterranean will also have an impact on the employment market and particularly on the potential active population, which will develop a declining tendency in Spain, and drop from 68.9% to 67.6%, whereas it will continue to grow in the Maghreb, and reach 70.7% of the population in Tunisia (compared with 64.8% in 2001), 67.7% in Algeria (61.5% in 2001), 67% in Morocco (63.4% in 2001), 65.8% in Libya (64.3% in 2001) and 54.8% in Mauritania (53.4% in 2001).

The corollary of this situation is the increase in migration from the Maghreb to Spain.

#### *The management of migration, as yet unmastered*

Migration is one of the most important demographic, economic and social, even 'civilisational', phenomena in these years, the opening years of the new millennium. And as migration intensifies and accelerates in the direction of the rich northern countries, it is Europe that has today become the most affected area.

Spain is the third host country to Maghrebi workers after France and Italy. Together with the Maghreb countries, Spain is the focal point and the preferred staging post *en route* to Europe for aspiring migrants of Sub-Saharan and Asian origin.

This phenomenon is not solely the result of the glaring disparities that characterise the level of development on the two shores of the Mediterranean, nor of the unbalanced and unequal nature of the relations between Europe and the Maghreb, but it corresponds with and is a response to an effective need in Europe for foreign labour.

Consequently, if Europe in general and Spain in particular wish to guard against all forms of migration, which when all is said and done is never completely avoidable regardless of the protection measures that are put in place, they need to target and organise the inflows of migration that in the years to come they are going to experience as a necessity. Moreover, such targeted organisation would have to be co-ordinated and agreed with the governments of the countries of the Maghreb. The 5+5 group meeting held in Morocco on 22nd and 23rd October 2003, attended by Morocco, Algeria, Tunisia, Libya and Mauritania, and by Spain, France, Italy, Portugal and Malta, may constitute a possible way to find a common strategy to successfully manage the shifts of population within the region as a whole.

#### *Undervalued economic cooperation*

An analysis of the states of the economic, trade and financial relations between Spain and the Maghreb shows that the capacity for cooperation is under-exploited and the existing potential is not fully valued. There are two key indicators that provide ample proof of this: a level and structure of trade that can be described as pre-industrialised and polarised, and little interest or solidarity as far as direct investment is concerned.

Thus, the value of exports from Spain to the Maghreb (excluding Morocco) reached a value of €1.4 billion in 2002, over half of which went to Algeria, as the following figures show:

TABLE 4	Exports from Spain to the Maghreb (excluding Morocco) (%)
Algeria	53.1
Tunisia	36.7
Libya	6.9
Mauritania	3.3

Regarding the value of exports from Maghreb countries to Spain (not including Morocco) it might be said that it has reached a value of 4.9 billion in 2002, over half of which also correspond to Algeria.

TABLE 5	Exports from Maghreb (excluding Morocco) to the Spain
Algeria	59.4
Tunisia	7.3
Libya	31.8
Mauritania	1.5

Turning our attention to Morocco, imports from Spain represented 11.6% of the total imports into Morocco in 2002, and it is estimated that their share of exports amounted to 15.7% in the same year. Nevertheless, the trade balance remains against Morocco as the rate of coverage of imports by exports reached 89.2% in 2002.

In comparison with the other countries of the Maghreb, Morocco can be considered Spain's leading partner with regard to imports, whereas Algeria and Libya easily surpass Morocco in terms of exports to Spain. This situation in the trade between Spain and the countries of the Maghreb indicates a polarisation in Spain's trade relations that is favourable to Algeria and Libya and works against Morocco, Tunisia and Mauritania.

Furthermore, the structure of the trade between the two areas indicates the permanence of a primary specialisation in low added-value products, mining, oil and gas products in Algeria, Libya and Mauritania, and in agricultural produce, fish and seafood, textiles and clothing, as well as certain electrical goods, chemical and parachechemical products, in Morocco and Tunisia.

With regard to investment, the Maghrebi access to Spanish capital remains below the region's requirement levels for sustaining growth and development in the context of economies that are experiencing increasing pressure on their available resources. The economic and financial accords signed within this sphere are principally intended to aid Spanish companies that wish to establish themselves in the various countries of the Maghreb. Any such accords that in fact concern the implementation of ventures of mutual interest also serve to uphold the purchase of Spanish equipment, thereby contributing to the rise in Spanish exports to the Maghrebi countries.

This approach to economic and financial co-operation has had a knock-on effect in terms of the setting up of Spanish companies, but has been unable to stimulate an equivalent rate of growth at the level of direct Spanish investment in the Maghreb.

Thus, by way of an illustration, while the number of Spanish companies established in Morocco continues to grow, the volume of direct investment has risen and fallen in response to changes in the political situation and in microeconomic rationales that are difficult to control, which explains why the volume is variable over the years and according to sector. For example, the amount of foreign, and direct, investment to Morocco as a percentage of all investment has dropped from 11.2% in 1999 to 3% in 2001. There was a slight recovery in the opening months of 2003, as these investments amounted to 9% of all investment made in Morocco between January and June 2003.

According to sector, investments vary from one year to the next. In 1998, for example, Spanish investors were particularly interested in the industrial sector, as demonstrated by the fact that industry attracted 68% of all Spanish investment in Morocco during the course of the year. In 1999, it was telecommunications that drew the most Spanish capital: 1,807.6 million Moroccan dirhams or 87% of the total investment made. Telecommunications remained the top ranking sector in the distribution of Spanish investment in Morocco between 2000 and 2002. Overall,

however, there are four sectors that have interested Spanish investors. In descending order, they are telecommunications, industry, commerce and fishing. In 2001, there was a particular interest in tourism and in 2002 in the real estate sector.

When put together, these circumstances influence the state of relations between the Maghreb and Spain, and encourage us to reconsider the future of these relations in new terms.

### **The Prospects for the Future as Seen from the Maghreb**

The future of the relations between the Maghreb and Spain is dependent on two fundamental geopolitical conditions: *a new shared geo-strategic vision and a new political culture that is more alert to the major problems facing the Arab world and Africa.*

#### *A new shared geo-strategic vision*

The partnership between Spain and the Maghreb needs a new shared geo-strategic vision, which should be founded on putting the future role that this centre of attraction can and ought to play into perspective, within the framework not just of the Euro-Mediterranean free-trade zone planned for 2010, but also in the context of the vast Euro-African region that is to be constructed.

This background of Africa, which seems already to have been taken into account by leading Spanish transnational corporations (Fagor, El Corte Inglés, Roca and Telefónica) ought to figure in the new, common thinking on geo-strategy, and suggests a change in political culture in the major decision-making centres both in Spain and in the Maghreb.

#### *A change in political culture*

The geo-strategic stakes of both the Maghreb and Spain need a real change in political culture at the level of the civil societies and states of the region. There are a number of preconditions that would seem to be essential in order for this to be inaugurated. Firstly, there is a need for the conviction that only a joint management of common interests will enable all the players involved in political and economic life in the Maghreb and Spain to move towards an improved capacity to deal with the challenges they face.

This perspective in turn presupposes a strategy to enhance the value of the comparative advantages of all the constituent elements in the region. At this level, the geo-strategic position of Spain and the countries of the Maghreb, in combination with their inherent competitive advantages (proximity to European, African, Arab and American markets, factor costs and the importance of the economic potential) ought to serve as a basis for establishing major economic and financial groups around ventures of mutual interest and regional scope.

The implementation of such a strategy would reside in the fact that it is the only strategy capable of enabling relations between the Maghreb and Spain to go hand in hand with the restructuring now taking place within their economies, and this in an international and European environment marked by relevant qualitative changes (the concentration of finance, the ascendancy of major non-European transnational corporations in the world market, relocations, pressure from migration, and so forth.).

A joint development of this nature could lead the way to conditions that would improve the position of Spain and the Maghreb joint group, not just regarding the free-trade zone planned for 2010 but also within the world market. The major infrastructure projects (motorways, ports, airports, telecommunications, public buildings and works, energy and various financial services) are potential spheres suitable for this collective management of the comparative advantages in the region.

Politically, this perspective implies a determined transformation of the disagreements, which have characterised relations between the various countries of the Maghreb and Spain, into areas of convergence: in the first place, Spain's positive involvement in the conflicts between Algeria and Morocco over the Moroccan provinces in the Sahara; a coordinated, agreed management of migration; and a mutually beneficial management in the form of a true partnership in agriculture and fishing.

This in turn presupposes a productive approach to debt that demonstrates solidarity with others, a more specifically determined access to Spanish capital and a cultural policy that is alert to the essential problems facing the region while it allows for the communication between peoples that is essential for laying the human foundations of a lasting partnership.

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