REVOLUTIONS FROM NORTHERN AFRICA: A GRAND QUESTION FOR MANKIND?

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ABSTRACT: The spring of the indignations against the presidents of the North African states and in the Middle East has aroused worldwide interest, not only in terms of their political effects in those states, but rather in terms of how these events have been suppressed by authoritarian regimes and the effects on the global economy and geopolitics.

KEYWORDS: revolution; Northern Africa; geopolitics; economic instability.

JEL CLASSIFICATION: R11

1. NORTHERN AFRICA: INSURGENCE OR REVOLUTION?

Assuming that any nation which doesn’t know its past is doomed to live the same mistakes in future, this paper aims to present in an objective way the global economic and geopolitical issues posed by the popular uprisings in the countries from the North African continent, members of the Arab Maghreb Union.

Maghreb (al-Maghrib) is the North African region, between the Mediterranean Sea, the Sahara and the Atlantic Ocean. In terms of geography, this region includes three states: Algeria, Morocco and Tunisia. In terms of geopolitics, Libya and Mauritania joined those states to form the Grand Maghreb (Figure 1).

Established on 17 February 1989, the Arab Maghreb Union (AMU) aimed the economical cooperation, political and cultural development, both internally and externally, and maintaining moral values of Islam which is reflected in the preservation of Arab identity.

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Even if they wanted an economic union, in practical terms, this has not happened and is reflected in low trading interest (Algeria - 1.5% with UMA, Tunisia - 6%) and customs union.

Regarding the Arab Maghreb Union's objectives there is a fast need to implement the agreements and cooperation agreements with the EU and addressing the statuary and a peacefully climate issue in the Middle East.

The cooperation actions between North African region and the European Community has been made in recent decades through extensive negotiations, according to national characteristics, economic and social, political and diplomatic options outlined in the regional and global scale.

Financial assistance by the European Union offered to Maghrebian countries is done through the European Investment Bank (EIB) and European Development Fund (EDF) - the financial body that aims to support the development of countries in their efforts related to EU development trade relations and cooperation.

Political and economical instability in the five countries from Northern Africa: Tunisia, Algeria, Morocco, Egypt and Libya is blamed on the devastating effects of totalitarian regimes in these countries: a one-party political dictatorship, no freedom of expression, miserable conditions of living, higher unemployment rate among young people (70% in Tunisia, 43% university graduates), discrimination against ethnic minorities (Ex. Hamayuni decree, Egypt), government intervention in local elections, etc., but this instability can be seen as a consequence of global economic crisis began in 2007, time when the American investors lost confidence in the secured mortgage, this has led to a liquidity crisis, causing a substantial injection of capital in financial

This assertion is supported by the idea that any uncontrolled food price rises caused by increases in raw material prices on international stock markets will lead to riots, demonstrations and why not, to changes in political regimes in developing states, which can be seen quite clearly today and for these countries in the Arabian world.

If we were to seek some common ground for these states, we can say that:
- are countries with totalitarian regimes supported by the Western powers (U.S., France);
- are heavily militarized inside, but not so well prepared in military terms, to become themselves a military power;
- are polarized states where are only two social classes, a very rich and the others which lives in poverty;
- the average age of the majority is 23 years compared with the older age of the president; this fact shall create discrepancies in attitude and ideology: Egypt - 22 years Algeria - 23 years, Tunisia - 24 years, Libya - 23 years (Figure 2).

![Figure 2. The median age of population according to the age of president (The Economist, 2011)](image)

### 2. FIRST SIGNS OF INSTABILITY: TUNISIA, ALGERIA AND MOROCCO

If we do a brief geographical and political presentation, we can say that Tunisia is the most northern country of the African continent, having as neighbors in west Algeria and Libya in the east, being a member of the Maghreb, but with a low commercial orientation toward, only 6% (75% EU).

In 1956 Tunisia achieved its independence, and Habib Bourguiba became the first president of the country in 1959, with a life tenure. In 1987 the regime was overthrown and the place was taken by President Zine El Abidine Ben Ali, who was overthrown by a popular revolt in January 2011 after a 23-year of dictatorship. Spark
of events occurred in the town of Sidi Bouzid, and street indignation against the totalitarian regime has been gradually extended to the capital Tunis.

The events were followed shortly after the visit of Jose W. Fernandez, Secretary of State for Economic, Energy and Foreign Affairs of the United States. The purpose of this visit was the participation in the conference titled "The United States and entrepreneurs from Maghreb", in Algeria, during the period 29.11.2010 to 03.12.2010. The speech announced a new strategy imposed by U.S. to the states from North Africa, with two major points, namely:

- economic assistance to small and medium enterprises (approx. 5 billion $);
- social and economical support of young people (approx. 8 billion $);

Tunisia is a country with a healthy economy that has grown rapidly by light industries, agriculture and tourism sector (an influx of approx. 6 million tourists per year), but the oligarchies press the small companies, and the government is unable to give jobs to young people.

Bourgeois class in Tunisia has proved to be too corrupt to lead a struggle against dictatorship, to fight for the rights of citizens and give them a better life, but neither supported economic programs imposed by France and the U.S. through the IMF over time.

Even if President Zine al-Abidine Ben Ali was ousted after he ruled the country for 23 years and a new interim government was created, the protests continued, demanding the removal from power of any political relic that was linked to the old leadership.

At the beginning of the uprising in Tunisia was circulated the following idea: "Revolution in Tunisia, or will be hampered by a corrupt government or exceed the state's borders and will spread throughout the Arab world, and which has materialized.

Algeria is situated in the North of African continent to the Mediterranean Sea, having as neighbors: Tunisia in the North-East, Libya in the East, Niger in South-East, Mali and Mauritania in South-West and Morocco in the West.

Economic indicators have improved since 1990 largely due to reform policies of the IMF and debt reduction in 2000-2001, due to government fiscal policy and by the increase of oil prices.

Algeria’s economy was a centralized economy with socialist orientation, passing through a transition. Privatization is one of the key elements of development. About 70% of enterprises are under state control and are largely ineffective.

With a contribution of over 60% in the national budget, the sector of hydrocarbons, gives Algeria ranks 14 in terms of world oil reserves (3rd place in Africa after Libya and Nigeria) and 5th place for natural gas reserves, being an important exporter for some E.U. countries (Oil and Gas Journal, 2009, Figure 3).

In 1996 it was completed the work on two of the largest methane gas pipeline from the Maghreb area (Maghreb-Europe pipeline, or GME), intended for supplying the states: Spain, Portugal and Morocco. However, trans-Mediterranean pipeline (TME) which supplies Italy, via Sicily, has been upgraded.
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The most important oil field of the country is Hassi Messaoud owned by the Sonatrach company. It is noted that Algeria has nationalized the entire mining industry after a series of presidential orders and decrees, passed in possession of Sonatrach company in the mid of 1970's, the state owned the company (JP Entelis, 2000).

Rebellion in Algeria began on 28.12.2010 and was inspired by the rebellion from Tunisia, by the same problems caused by: higher unemployment, low living conditions, lack of housing, food price increases, inflation, corruption and restrictions on freedom of expression.

How will resolve these issues will have an effect on the global economy, given the fact that Algeria is one of the most important "players" of the energy resources market (oil and natural gas), over 95% of the exports of the country are made by fossil fuels (85% of the oil is exported to Western Europe and approximately 5% to the U.S.).

**Kingdom of Morocco** is located in the North-West of the African continent and has a maritime border with Spain in the North, in the East is bordered by Algeria and Mauritania in the South. Morocco's economy is considered to be one governed by the law of supply and demand, registering a consistent growth of 4.9% per annum, having two industrial poles: Casablanca and Tangier.

Economic treaties and agreements signed in April 1976 between the EEC and Morocco (and Tunisia), led to the development of important industries in these countries, given that, they were allowed free access to the market of the Economic Community for industrial products (except textiles).

Although the accession of Spain and Portugal to the European Union area, EEC has progressively restricted the concessions for Morocco and Tunisia, because a number of agricultural products (citrus, vegetables) compete directly with products

Figure 3. Importers of Algerian natural gas – billion cubic feet
(International Energy Agency, 2007)
from the European market, considered to be sensitive, the cooperative relations continued. Example can be given by the signed agreement with the EEC, according to this, Spanish and Portuguese fishing boats were allowed to continue operating in Moroccan waters (rich in fish).

Like Tunisia, Morocco has faced economic difficulties in recent years, a high unemployment rate and political unrest, coming mainly from the educated youth. Relative freedom of the press (only limited possibility of expression offered by the Internet), as the specter of Islamist terrorism and the example of Algeria, have reduced the radicalization of young people.

Excessive involvement in the economy of the royal family and the expensive life were premises for uprising. The rebellion began in Rabat and Casablanca, and protesters have demanded political reform and limiting the power of King Mohammed VI, who leads the country from 1999. Moroccan King belongs to Alawites Dynasty who led the country in the last 350 years and is considered to be a direct relative to the Prophet Mohammed.

Today, Morocco is preparing for a major program of reforms, especially the Constitution. King Mohammed VI announced the establishment of a committee which will include political parties, trade unions and civil society. Also, the independence of justice will be strengthened, as well as the role of Parliament and the country would fare a process of decentralization.

3. THE DOMINO EFFECT: EGYPT AND LIBYA

*Egypt*, the most important country in terms of economic and strategy from Northern Africa is limited to the North by the Mediterranean Sea, by Libya in West, Gaza Strip in east, Israel, Gulf of Aqaba (through which he has contact with Jordan and Saudi Arabia) and Sudan in South.

As a form of government, Egypt becomes a republic in 1953 and Hosni Mubarak becomes president of the republic in 1981, with five consecutive terms. After the reforms of 2005, presents a multiparty presidential system where executive power is divided between the president and prime minister. Like all the Arab states, the political regime is a dictatorship of one party.

From an economic perspective, the state is dependent on oil exports, tourism (more than 8 billion $ / year), agriculture, Suez Channel toll of merchant shipping (about 2 billion $ / year) and financial aid offered by the United States following the Camp David agreement from 1978 (over 2 billion $ / year) for accepting the peace with Israel.

The key point of street demonstration in Egypt, was the Suez town, which in recent years has supplied the Cairo government with billions of dollars, but like the rest of the country, this prosperity was not shared, considering that, from 80 million inhabitants of Egypt, over 40% live under the poverty line, with only 2 $ per day.

Egyptian revolution was beginning on 25.01.2011 due to economic conditions and lack of freedom under the leadership of Hosni Mubarak. The protests spread to the capital, Cairo, where it was a national demonstration.
The group which was behind these protests "April 6 Movement", have been inspired by the Tunisian revolt, where communication via the Internet had an important role (from Cairo revolt, Yahoo's social network site has been blocked). This group was supported by the "Muslim Brotherhood" and opposition leader Mohamed ElBaradei (President of the International Atomic Energy Agency - IAEA during 1997-2009), the largest protest movement after 1977.

**Libya** (official name: Great Socialist People's Libyan Arab Jamahiriya) is located in Northern Africa, faces the Mediterranean Sea in North, Tunisia and Algeria in the West, Niger to the South-West, Chad to the South and South-Eastern Egypt and Sudan. It was the first African colony that gained independence in 1951, the state leadership was offered to King Idris I until 1969 when it ousted by the revolution led by Muanmar al-Gaddafi.

Libyan state is not proclaimed republic (Jumhuriya) like other Arab states, but "state of the masses" (Jamahiriya), having an Arab socialist system of government, inspired by pan-Arab and Islamic ideology, is actually a system of personal dictatorship of colonel Muanmar al-Gaddafi.

By 1969, Libya could hardly be considered a unitary state because it was divided into three separate provinces, each with specific tribes. In Libya there are over 140 tribes and clans, native Libyans are: Berber, Tuareg, Bedouins and Turks, tribal groups Hausa and Tebu (Figure 4).

![Figure 4: The Libyan tribal groups (Stratfor, 2011)](image-url)
The question that has raised since the beginning of the conflict in Libya, was "fighting for Libya is a clash between a brutal dictator and democratic opposition, or is fundamentally a civil war" (New York Times, 2011).

The rebellion could actually be a tribal conflict between Eastern Libya and Western Libya, knowing that the eastern region, around Benghazi, has always been a "hotbed" of opposition, enjoying in the past the king's favoritism, which ended with his removal from power. After 1969, Muammar al-Gaddafi supported the tribes from central and west side of the country.

The war began on 21.03.2011 with the intervention of the armed forces of NATO member states (U.S., France and UK) and may take longer than might be expected these countries when the operations started. The answer is given by the gold held by the Central Bank of Libya: 143.8 tons of gold reserves, the data being provided by International Monetary Fund.

Many states have gold reserves in the banks of other countries: United Kingdom (London), USA (New York) or Switzerland, but Libya has kept the reserves in the country, that's why we can say that the war will continue more than would be expected at first, because the tribes that back up Muammar al-Gaddafi are supplied with weapons from this reserves (Stratfor, 2011). Until the revolution started, this reserve was held in Tripoli, and then was moved to the city Sebha (to the border with Chad and Niger).

The economic power of this country should not be ignore, taking into account that Libya is the 12th largest producer of oil and holds the position 25 between world states in terms of national gold reserves.

In the early 1980s, Libya was ranked as one of the most prosperous countries (Philip's Modern School Atlas 1987), with a GDP per capita higher than countries like Italy, Spain, Singapore, South Korea and New Zealand.

The Libyan war will have repercussions on the oil market in particular. The companies which have invested in this sector would have significant losses if events would take an undesired turn.

In 2007, following the exchange of assets with the company BASF, Gazprom received 49% in petroleum concessions C96 and C 97. In April 2008, Gazprom signed a memorandum of collaboration with Libyan national corporation NOC, which allowed it to participate in tenders for exploitation of mineral deposits.

As a result of the attacks of international military forces (France, UK and USA), Libyan officials have declared that in the future they will conclude contracts only with countries that have not taken part into these attacks.

The latest research shows that Libya has a reserve of 60 billion barrels of oil, taking the first place in Africa (Figure 5) and 1500 billion cubic meters of gas. National Oil Corporation (NOC) is ranked 25 in top 100 worldwide oil production companies.

Libyan invasion by the U.S. and EU in terms of humanitarian aid serves the same interest group as well as the events from Iraq since 2003. The hidden objectives of this mission in Libya are in fact getting the control of oil field or the possibly of destabilizing NOC oil industry by privatization, or getting the control over the uranium resources from the southern part of the country (Fayah Arjou country). Libya is also a
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Figure 5. The African countries with the most important oil reserves
(Oil and Gas Journal 2009)

Chad is a country with high economic potential due to oil resources and also a link to the Darfur region of Sudan, in terms of strategic oil resources.

China is interested in maintaining the control over resources in Chad and Sudan, so the military operation from Libya can satisfy the desire of the United States to exclude China from the North African oil market (the largest Chinese oil company is CNPC - China National Petroleum Corp).

After excluding China, the giant Anglo-American companies will benefit. Among oil companies operating in the Libyan territory are: Total (French company), ENI (Italian company), CNPC (Chinese company), British Petroleum, Repsol (Spanish consortium), ExxonMobil, Chevron, Occidental Petroleum, Hess and Conoco Phillips.

So the Southern Libya is a strategic region and presents an increased interest for the United States which wishes to extend their sphere of interest over the states dominated by the French and Belgian influence (M. Chossudovsky, 2011).

4. ECONOMIC AND GEOPOLITICAL CONSEQUENCES

Social unrest from the North African countries and from the Middle East based on authoritarian regimes, but basically due to poverty, lack of jobs, economic insecurity of the citizen and less about democratic image and freedom of press, freedom of expression, that equal rights between the sexes, should be a first warning regarding the consequences of chain reaction of global economic crisis.
The possible economical effects are:

- Egypt has lost over 3.1 billion dollars because this political crisis, the average is about $ 310 million per day;
- as economic forecasts for 2011 the Egypt's GDP growth will be 3.7% compared with 5.3%, the originally planned value;
- disruption of maritime transport on the Suez Channel (traveled about 35,000 ships annually, of which 2 700 are oil tankers) can be an effect for the alarming increase in oil prices. The previous is given by the two periods when the channel was closed: 1956 (nationalization of the Suez Channel by President Gamal Abdel Nasser) and 1967-1975 (period coincides with the "oil crisis" in which Arab states imposed an embargo to the United States as an answer to the support given to Israel - October 1973);
- next government which will lead Egypt will have to confront a number of issues such as budgetary deficit, credibility, image reconstruction of the country, etc.;
- the London Stock Exchange quotations for the oil extracted from North Sea, the price was $ 99.74 and the stock market in Riyadh (the largest in the Arab world) has lost 6.43%;
- oil prices rose 4%, could reach the level of September 2008 (147 $ / barrel) when the crisis on Wall Street was at its height;
- addition to oil prices, the price of cereals could increase, especially maize and wheat, being possible due to weather hazards worldwide and strong demand from China;
- by 2013-2014 there will be a decrease in additional capacity of oil production to an uncomfortable level, probably below the one from 2008;
- Insurance companies will be affected by the huge wave of claims for properties and businesses damaged during the protests;
- FDI fell by 17% (6.7 billion $);
- among international companies that will suffer losses from this economic and political instability are: Barclays, HSBC Bank Egypt, ENI, France Telecom, Vodafone, Carrefour, Nestlé;
- traveling destination changed for European tourists (especially Great Britain, Germany, France) who preferred Tunisia and Egypt during the winter. More than 500,000 travelers choose Spain as their destination, especially the Canary Islands, approx. 70,000 visitors in January ("El pais");
- travel tour operator companies have delayed flights to Tunis and Cairo;
- economic losses for airlines companies as: British Airlines, Lufthansa and Emirates Airlines, the last one decreased the number of weekly flights to Egypt in half;
- war in Libya could delay the projects started by Russian oil companies: Tatneft and Gazprom in this country, a trend that can be compared with Lukoil problem related to the war in Iraq;
- gold price increased by 1,444.40 $ / ounce and silver price is 36.52 $/ounce, the highest price recorded on the market since 1980, and prices could continue to increase;
It seems that mankind has entered into a new era that is revolutionary one, called "the era of political awakening of nations." This is manifested in different aspects in several regions of the world being influenced by the globalization. U.S. global dominance might be approaching to a critical point. Revolutions of the North African countries and the Middle East will print a change to the political and economical scene worldwide, change that might not be entirely favorable to Western powers and to the multinational companies and international institutions that support and profit from the totalitarian systems in these countries. To stop this threat, Western powers operating through "democratization", urging non-governmental organizations focused on civil society in the region of conflict, trying to establish a contact or a close relationship with it. The strategy's goals are to support by any means (financial, military, political, etc.) the civil society in the region, to create a democratic system like the western system, thereby maintaining order in the world hierarchy.

Building a democratic state in Northern Africa, by the western image, will be made by democratic elections in which several political parties will participate, will focus on the involvement of civil society, the press free expression, but to keep economic control imposed by the World Bank International Monetary Fund as well (Marshall AG).

In countries such as Egypt and Tunisia is likely coming to power of an extremist neo-liberal political parties, that if we had to relate to the incidents in the years 1980-1990 in countries with authoritarian rule in Central and Eastern Europe, South Africa respectively in South America (Argentina and Uruguay).

Specific for countries under an authoritarian regime are the few reforms and low activity of trade unions, most often being repressed by the brutal dictators. When these forces are weak progressive, capitalist forces are ready and try to take the lead. We could say that this will happen in Egypt and Tunisia, where the strategic development plan is already outlined by the world economic powers: U.S., EU and China. The strategic plan will be implemented by the new created government, even interim, by the decisions imposed by the IMF for the economic reconstruction of these countries.

The received aid from the IMF will be a neo-liberal conditionality package including: new regulations on access to employment, privatization of state enterprises.

The possible geopolitical effects are:

- if the United States will be able to control Libya by installing some government regimes with a western ideology, or will have control over the south of the country than U.S. will manage a division of the African continent, so it will weaken the formal power of the former colonizing countries of Northern Africa: France and Italy;
- the possibility of disintegration of the Arab countries and the establishment of a religious fanaticism which will seek to expand the Islamic extremism, leading to decades of war;
- destabilization of the peace treaty between Egypt and Israel (February 22, 2011, two Iranian warships entering the Suez Channel to carry out a military exercise in Syria, the first trip from the Islamic Revolution in Iran, 1979);
Turkey and Iran, the most important Islamic powers in the area will try to extend their local influence;
if the revolution in Libya will be completed with the abdication of president Muanmar Gaddafi, the U.S. and British military bases will be reopened;
illegal immigration through Libya to the European Union (eg.: the bilateral agreement between Italy and Tunisia on illegal immigration has not been applied);
increasing the number of refugees in former colonizing countries (over 4,000 refugees from Tunisia have landed in southern Italy, at Lampedusa in February 2011);
increasing the number of refugees in countries of transit, more than their financial support capacity (over 30,000 Libyan citizens took refuge in Tunisia after the beginning of the war);
a new wave of revolts in countries such as Yemen, Oman, Zimbabwe, Bahrain, Saudi Arabia, Syria, Iran;

5. CONCLUSIONS

The new world order must be for a world that has already passed through a global crisis and it must lay the foundations for a future world, possible only after a period of time, recovery and reconstruction (Alice Bailey).

Revolutions of North African countries are not purely coincidental. The overthrown regimes are former regimes, which until yesterday were clients of the Russian Federation, in relation to the acquisition of arms, given that, they are countries with low arming budget, with social system and centralized development, where the state was the main actor in the development process and then in the name of security to control the expansion of Islam, they came under U.S. protection thus protecting its main ally: Israel.

Strengthened economic relations based on economic partnership treaty between the EU and countries from Northern Africa (Morocco, Tunisia, Algeria) and presumably not just an economic change but also the cooperation in the following areas: technical and financial assistance, social problems and labor use, will continue to take place within the limits imposed by the powers regardless of the new leadership that will rotate from the current conflict.

Generally, the developing countries considered at this stage of their economic development, that the economic cooperation and integration can help them to better mobilize the resources (financial, material and human) to better organize the internal market and the increasing intensification of foreign economic relations, all of which contribute to accelerate their economic and social progress.

The large number of street demonstrations that degenerated, giving rise to revolutions in North African countries, namely in the Arab world, expressed their fundamental nature: the struggle for national independence, control over foreign trade, control over national resources, lack of jobs, low wages for workers, violation of citizens rights (similar to the situation during the neo-colonial domination and imperialism), all these problems can be solved by the emergence of a party whose
power derives from the party among the working class. Without the rapid creation of a workers party whose ideology reflects the social and economic needs of the population, able to lead in a democratic way, the fight to eliminate the above problems will be stopped by the bourgeois class, and everything would be in vain.

If you were to look at the problem in terms of age, then we should think that the higher education system includes a global number of 80 - 130 million students. The vast majority comes from developing countries or countries from the "third world", but they study in the developing countries (Marshall, AG). They come from middle class society, characterized in particular by an uncertain social environment being caught in the demographic and economic expansion with self-assertion into the society, that many times is suppressed by the political and economic system which stopping their development, rise, hope...

All these students are "stand-by revolutionaries" mobilized in associations and interest groups, interconnected via the Internet and social network sites, prepared to express their frustration and emotional deprivation. They are a kind of "political bomb" triggered by the hate against the system, a cause or a hope. Examples can be given by the events from Mexico, China and recently in Egypt, Algeria, Yemen.

Globally, unemployment will not be able to reach the level existing before the economic crisis. It will reach to that level only in 2015, and that will be possible only if the governments continue with the austerity measures, but in this way, causing major social tensions (ILO - International Labour Organization).

Approximately 35 million people have lost their jobs since the beginning of the economic crisis, and the total number of unemployed, worldwide, reached this year to 213 million people, representing an unemployment rate of 6.5%. Under these conditions, where most of the unemployed have no work, and governments are forced to apply austerity measures, projections show that, the social tensions could escalate into riots and street fighting, as happened recently in Spain, Belgium, Italy Greece and Britain, but may continue in France and Romania.

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