

MEETING THEME:

UMA - PROSPECTS AND CHALLENGES

*Meeting Date:
September 15th 2010*

I- UMA- GENERAL PRESENTATION

A- DEFINITION :

The word Union of the Maghreb Arab designates the economic and political organization formed by five countries of the big Maghreb, to name them we cite Algeria, Libya, Morocco, Mauritania, as well as Tunisia with its headquarter located in Rabat.

B- HISTORY:

The idea of unifying the Arab Maghreb and providing it of common institutions has started to grow since the end of April 1958 during the conference that place in Tanger and in which The principal political parties of Central Maghreb 3 countries (Morocco, Algeria and Tunisia) were gathered.

Indeed, the resolutions of this conference lately submitted to Libya, were materialized after their independence by the establishment of institutions responsible for facilitating the economic complementarities aiming to create an effective union. This is how the Ministers Counsel of Economy and the Permanent Advisory Maghreb Counsel were created in 1964 with a number of specialized organs.

Therefore, the UMA was established in February 17th 1989, date at which the constitutive treaty of the Arab Maghreb Union was signed by five head of states in Marrakech.

The Summit of Marrakech was preceded by the meeting of the five head of states à Zeralda (Algeria) in June 10th 1988 during which they decided to constitute a big committee, responsible for defining the means to realize a Union between the five states of the Maghreb Arab.

The activities of this big committee have lately constituted, the program of the UMA work. In addition to the signature of the treaty, the summit of Marrakech has adopted a statement relating to the creation of the UMA and its program of work.

Afterwards, six summits have respectively taken place in the following countries:

- Tunis, January 21-23, 1990
- Alger, July 21-23, 1990
- Ras Lanouf (Libya), March 10-11, 1991
- Casablanca (Morocco), September 15-16, 1991
- Nouakchott (Mauritania), November 10-11, 1992
- Tunis, April 2-3, 1994

During the above-mentioned summits, the Presidency Council has taken several resolutions among which we can name the following ones;

- The achievement of the UMA structures as they are provided by the constitutive treaty.
- The adoption of the Maghreb Conventions (37 signed conventions) which concern diverse sectors.
- The adoption of the execution programmes as they are initiated by the UMA authorities.

C- MISSIONS :

The constitutive treaty of UMA set out the following objectives:

- The consolidation of fraternity relationships linking the member states and their people; the realization of progress and welfare of their communities and the defence of their rights;
- The progressive realization of the free traffic of people and services; goods and capitals between the member states;
- The adoption of a common policy in all fields

In fact, in order to institute an economic union between the five member states, the following stages are determined:

- The institution of a free trading area with the abolishment of the diverse obstacles relating to commercial tariffs between the member states.
- The institution of a customs union with the adoption of a common exterior tariff towards the remaining part of the world.
- The common market which must devote to the integration of Maghreb economies with the abolishment of the traffic restrictions through the national boundaries of the member states.

The common policy of UMA tends to realize the following goals:

- On the international level: realizing a compromise between the member states and establishing a close diplomatic cooperation based upon discussion and conversation.
- On the defence level: the safeguard of the independence of every member state.
- On the economic level: the realization of the industrial, agricultural, commercial and social development of member states

D- INSTITUTIONS AND STRUCTURE:

1- The Presidency Council :

It is composed of the member states head of states and constitutes the supreme organ of the Maghreb Union. The presidency of the council is ensured for a period of one year by a turnover between the member states head of states. The presidency Council has ordinary sessions once a year. However, it may prepare extraordinary sessions when it is needed.

Indeed, the Presidency Council is the only organ entitled to take decisions and its decisions are taken by reaching unanimity.

2- The Council of Ministers:

This council prepares the sessions of the Presidency Council and checks the questions submitted to it by the follow up Committee and the specialized ministerial committees.

3- The Follow Up Committee:

Every member state designates, among the members of its government or of its popular comity, a member who is going to be in charge of the Union affairs.

4- The specialized Ministerial Committees:

The Presidency Council has created 4 different ministerial committees respectively responsible for the alimentary security, the economy and finance and human resources.

5- the General Secretary (Morocco)

It is created by the Presidency Council which determines its headquarter and assignments.

6- The Advisory Council (Algeria):

It is composed of 20 representatives by state who are chosen by the legislative organs of the member states according to every state national rule. The Advisory Council has an ordinary session every year, but it may have a meeting for an extraordinary session on the request of the Presidential Council. This council is in charge of giving its advice upon every project of decision submitted to it by the Council of Presidency.

7- The Judiciary authority (Mauritania):

It is composed of 2 judges of every state who are designated for a period of 10 years. The president of this authority is chosen from its members for a one – year period. In fact, it settles the disputes relating to the interpretation and the application of the UMA treaty in particular and the agreements concluded in the union framework in general. The judgments of this organ are enforceable and final.

8- The Maghreb Investment Bank (Tunisia):

It was created due to an agreement signed by the Presidency Council in March 10-11th 1991; its main objective is the contribution to the establishment of a Maghreb integrated and competitive economy, to promote the commercial dealings between the Maghreb countries and to consolidate the investments and the traffic of goods and capitals between the UMA member states.

II- UMA ACHIEVEMENTS

A- UMA SIGNED CONVENTIONS

Starting from its establishment date, the UMA has signed several important conventions. In this effect, we can name the RAS LANOUF October 3rd 1991 different conventions:

- The commercial and tariff convention between UMA member states
- The convention of legal cooperation between UMA member states

- The convention of maritime cooperation between UMA member states
- The convention of social security between UMA member states
- The convention of animal care cooperation between UMA member states

In November 11th 1992, the UMA has signed other treaties in Nouakchott, among which we can cite the following ones:

- The Agreement relating to the environment protection
- The convention of cultural cooperation between UMA member states.
- The convention relating to the common recognition of the driving licence between UMA member states.
- The common regulation for the access to judicial institutions signed between UMA countries.
- The convention relating to the organization of public markets in the equipment field and the field of public activities between UMA members states.
- The convention setting out the Maghreb Arab price for cultural creation.

Furthermore, in April 2nd 1994, in Tunis, the UMA member states have signed the following agreements:

- The inter-administrative cooperation convention to fight against the customs infractions between the UMA member states.
- The agreement relating to the rules of origin between the UMA member states.
- The agreement relating to the application of the unique clearing right with 17,5% of rate between UMA member states.
- The convention relating to the Maghreb comity of insurance and reinsurance.
- The agreement relating to the exchange of experts and specialized persons between the post administrations and the communications of UMA member states.
- The agreement relating to the creation of a national book Maghreb Counsel.
- The agreement relating to the creation of a free Maghreb exchange area between UMA member states

B- UMA RATIFIED CONVENTIONS

UMA has had the opportunity of ratifying a number of conventions; among them we can name the following:

- The convention relating to putting in agricultural quarantine between UMA member states (Convention ratified in July 14th 1993)
- In the same date, UMA ratified another agreements; the first is relating to the incentive and protection of investments between UMA member states, while the second relates to the exchange of agricultural products between UMA countries. The third agreement is relating to non double taxation and to the application of cooperation rules of exchange in the field of income taxes between UMA member states. Besides, UMA member states have ratified a final agreement relating to land transportation of passengers and goods.

- In April 23rd 2002, UMA member states have ratified the agreement relating to the establishment of the Maghreb Bank of Investment and Exterior Commerce.

C- UMA CURRENT ACTIVITIES AND REALIZATIONS

A memorandum of agreement was lately signed in June 16th 2010 between UMA Secretary and the Secretary of the Cooperation Counsel of Golf Arab States, the memorandum is relating to many fields of common interest and tends to reinforce the relationships between the Arab Maghreb states and Golf countries, it will in fact contribute to consolidate the common interests between the two regions especially that a meeting between UMA businessmen and Golf businessmen is intended to be prepared in the beginning of the following year.

Besides, with the establishment of the Maghreb Bank of Investment, with a capital of 500 Million \$ divided between the five Maghreb countries and its headquarter located in Tunis, a more economic Maghreb integration has been achieved since this bank is becoming operational to contribute to building a competitive and integrated Maghreb economy and to realize the common projects in order to improve the commercial exchanges between the Maghreb states.

In addition, we can notice an improvement of road, port, air and railway links between UMA member states since ports are becoming more and more specialized and air companies are becoming more and more close to one another. This new scheme is accompanied by the development and extension of the telecommunications network, post services, and the information means in general.

In the industrial field, important realizations are made due to the potential complementarities between UMA member states, the example of the Algerian gas, already source of development and welfare for Tunisians, Libyans, and Morocco people at the same time.

III- UMA CHALLENGES AND FUTURE PROJECTS

A- CHALLENGES

- *On the economic level*

In spite the fact that it was provided by the UMA constitutive treaty, the progressive implementation of the four fundamental liberties (persons, capitals, goods and services) has known a big lateness since they only represent, for the period between 1997-2002, a small part of exportations (2,6%) and total importations (less than 3%) .

In fact, the movement of capitals between UMA countries is not important due to the existence of numerous restrictions (prior authorization system, risk of invested capitals extortion, partiality of the justice in favour of the country residents, and the absence of authority support) all these elements constitute the reasons behind this economic situation.

The economic structures of the UMA states have a high level of extraversion and are still depending of outside either commercially or financially.

- On the institutional level

The power of decision is still remaining exclusive between the hands of the Presidency Counsel as a supreme authority according to the UMA treaty.

- On the political level

The democratic practice of the European countries is in contradiction with the authoritarian and bureaucratic regimes of most part of the Maghreb countries added to the human rights respect issue which appears through the pressure that many European authorities are exercising upon the Maghreb governments. However, we notice that the Tunisian League for Human Rights was the first state in the Maghreb space to ensure its independence as a league and to play an important role in the respect of those rights.

The Western Europe is as well another important challenge for UMA especially in the field of immigration.

- On the social level

Nowadays, the total population of the Maghreb countries counts more than 80 million inhabitants increasing of 3% per year. This population is characterized by its youth and is receptive of a culture tending to be uniformed. Yet, the risks are becoming enormous if we take into account the economic circumstances less favourable.

Besides, many young people of a Maghreb origin remain attached to their religion (Islam) which they respect the practices while many of them do not exercise it keeping in their minds the cultural background they are acquiring.

According to an article written by Mr Ridha Lahmar on September 22nd 2010 in Realities Magazine; the five countries of the Maghreb Arab Union have to face five major challenges having regard to their social and cultural degree of evolution, and their demographic structure by taking into consideration their development strategies and economic growth process.

These five challenges are as following:

- ✓ The generalization and quality of the educational and professional training system.
- ✓ The improvement of employment and payments notably for high graduated people.
- ✓ The availability of pieces of lands (lots) in the urban area.
- ✓ The availability and quality of the potable water for every kind of use.
- ✓ The rationalization of consumption, and availability of classic energy and notably the improvement of renewable energies.

Therefore, the most important challenges which Maghreb Arab countries are faced with; try to decrease unemployment which rate is fluctuating between 15 and 25% according to the states in question.

The imbalance is in fact due to the fact that economic enterprises do generally need to employ technicians, scientific people, and engineers while the most available part on the employment market is constituted by people who have studied literature and law. Furthermore, the availability of water is one of the most important challenges too because the needs in water

consumption speedily progress with the rise of life level. In addition, Maghreb Arab countries need to prepare a concerned, legal, and reasonable policy to face immigration problems.

Thus, some important solutions may need to be taken into account:

- ✓ To reinforce the partnership between Maghreb and Europe with the improvement of the economic integration inside Maghreb countries.
- ✓ To modernize the infrastructures and improve the investment climate
- ✓ To broadcast a culture of energy economy and water recycling within industrial enterprises.
- ✓ To elaborate an ambitious, integrated and huge plan to slow down the desert lead.

- On the international level

We can add to the complementarities operating in the framework of regional groupings in North and South America (NAFTA AND MERCOSUR), in Europe (European Union), in Asia of Western South (ASEAN) the technical and technological transformations which have changed the production systems increasing the market control

B- FUTURE PLANS

On July 7th 2010 in Rabat, the Secretary General of UMA, Mr Habib Ben Yahia has called to an implementation of a Maghreb strategy to fight against unemployment among young people, this strategy is aiming to coordinate the national plans of employment.

In a previous date (and precisely on June 3rd 2010), a Maghreb Colloquium entitled “Harmonization and coordination of the regulation and financial supervision in UMA countries” has took place, and in which more closeness between the financial and bank supervision organs was recommended in order to improve the coordination between UMA member states.

Other future plans appear as well from UMA statements and communiqués since UMA is actually aiming to elaborate a strategic vision for the Maghreb farming during the coming ten years (March 10th 2010) and to create a Maghreb platform for scientific research in the field of renewable energies.

We can notice that the main endeavours are currently intensified in order to finalize an agreement project relating to the creation of a free trading Maghreb area. The bases of this area have already been drawn by the Summit of Tunis in its statement dated April 1994. Furthermore, calling for the traffic of factors of production and goods, inside an economic space and harmonizing the social, cultural and environmental policies inside the same space remain two of the main objectives and future projects of UMA in spite of the current issues this union is currently facing and which slow down its action despite the political will.

In a meeting lately organized by the Tunisian Association for International Studies, the attendees have called for the creation of a Maghreb Central Bank, since according to them; the creation of such an institution is to ensure the coordination of the commercial, tax, and customs policies of Central Banks which will facilitate the creation of that free area of trading

and speed the currencies convertibility and improve the exchanges between the Maghreb countries and those of the European Union. That's why the creation of such financial institution like the European Bank for Construction and Development would be an important step. Besides, the intensification of the cooperation between the Europe and the Maghreb based upon a true development, the partnership, and the direct investment introduction will permit to create a dynamic prospect which may profit to the population of the region and to make of the Mediterranean pool a lake of peace and prosperity.

IV- CONCLUSION

The Maghreb leaders know exactly the handicaps and assets of the UMA. They also know that a considerable work to accomplish is remaining in order to tighten its links, come to a unified functioning, and increase in a substantial manner its internal exchanges and dealings so that to impose itself as a valuable partner of the economic and social groupings in its neighbour.