

## **Socio-economic context of the Arab spring in North Africa**

**RANDHIR KUMAR**

Research Scholar

Department of African Studies, Faculty of Social Sciences,  
University of Delhi, Delhi (India)

### **ABSTRACT**

The Arab Spring protests of 2011 that swept through the Middle East and North Africa (MENA) radically reshaped the region's political and security environment. The Middle East and North Africa region is witnessing a turning point. The social and political protests and transformations set off in Tunisia in late 2010 and early 2011 spread to several countries in what has been dubbed the Arab Spring. The demonstrations and demands for reforms have led to varying degrees of political change in different countries and notably the toppling of two long ruling presidents: Tunisia's Zine El Abidine Ben Ali and Egypt's Hosni Mubarak. But also in Libya, where the repression of demonstrations led to increasing levels of violence and the eventual fall of the regime of Muammar Gaddafi. The start of the Arab Spring was certainly influenced by relatively temporary factors such as rising prices and the contagion or inspirational effect of demonstrations occurring in other MENA countries, prominently in Tunisia and Egypt. However, the main drivers of protests were of structural nature, notably economic and socio-political factors that influence and strengthen each other. One of those structural factors is the lack of economic opportunities, which are mainly expressed in high levels of unemployment that mostly affect young people, women and the highly educated. This, in turn, has been importantly influenced by constrained private sectors which are crowded out by the bloated role of the public sector in the economy; by low levels of entrepreneurship; by inefficient competitive practices that favor privileged businesses; by low levels of competitiveness; and by unfavorable business environments, among others.

**Key Words :** Political change, Social-Economic change, Economic opportunities, Business environment, Entrepreneurship

### **INTRODUCTION**

The so-called 'Arab Spring Uprisings' have become one of the most notable events in contemporary history of North Africa. The political upheavals sweeping through the region has brought enormous changes and uncovered serious doubts and dilemmas regarding the future of these countries. It is widely known that the Arab Spring was sparked in 2010 by the self-immolation of Mohamed Bouazizi, a 26-year-old Tunisian street merchant, whose deed

**How to cite this Article:** Kumar, Randhir (2017). Socio-economic context of the Arab spring in North Africa. *Internat. J. Appl. Soc. Sci.*, 4 (1-4) : 141-151.

was followed by similar suicides of at least 63 more men and women in Tunisia, Algeria, Morocco, Yemen, Saudi Arabia and Egypt, who also set themselves on fire. Bouazizi and the others who burned themselves were extralegal entrepreneurs: builders, contractors, caterers, small vendors.

In December 2010, a Tunisian fruit vendor fatally set himself alight out of desperation and in protest against police harassment. The event triggered widespread demonstrations against the Tunisian government all across the country and spilled over to various North African states and the Middle East in the months that followed. The repercussions varied widely in the five countries. In Morocco, King Mohammed VI promised political reforms. A constitutional amendment confirmed by a referendum curtailed the rights of the King and strengthened democratic principles. In November 2011, early elections brought a change of government. Thus Morocco was able to initiate a largely peaceful social reform that has come to be referred to as a Moderate Revolution. In Algeria, the government quickly met one of the demonstrators' key demands by lifting the 19- year-old state of emergency and reforming legislation on political parties and elections, among other measures. Furthermore, President Bouteflika, through a mix of brutal crackdowns (arrests) and financial concessions (subsidies, public sector salaries), managed to hold on to power, so no fundamental political upheaval took place. In Tunisia, mass protests led to the deposition and flight of President Ben Ali and to an election for a constituent assembly. In 2014, a new constitution came into effect that is regarded as one of the most modern of the Arab world. Tunisia's democratic transformation is considered successful so far. In Libya, the unrest escalated in 2011 into a civil war in which NATO also intervened. Head of state Gaddafi was ousted and killed. Parliamentary elections in 2012 and 2014 failed to bring stability. A new civil war using Gaddafi's large weapons arsenals has been raging since the summer of 2014. Two factions currently claim to be in power and the terror organization IS has also made a stronger appearance recently. In Egypt, the protests in early 2011 led to the resignation and arrest of President Mubarak. After the subsequent turbulent phase with parliamentary and two presidential elections, as well as a military overthrow, Egypt is now in an unstable transitional phase. The perceived risk is that a similarly repressive system will take hold under President Al-Sisi as in the Mubarak era.

### **Social changes in North African region after Arab spring :**

The instability initiated by the revolutionary events of 2011 has been felt in different ways across the countries of North Africa. The two western most states, Morocco and Algeria, experienced only minor protests. Both governments quickly implemented packages of government expenditures and political reforms (often largely symbolic) that ameliorated the grievances of their protest movements. In contrast, the three easternmost states- Libya, Egypt and Tunisia have been beset by varying degrees of instability. Libya has been the hardest hit, with the central government unable to reestablish its writ following dictator Muammar el-Qaddafi's fall. After an uneasy period in which a variety of militias carved out their own spheres of influence, a match finally ignited the tinder of post- Qaddafi Libya in May 2014 when KhalifaHifter, a former officer in Qaddafi's military who defected during Libya's ill-fated war in Chad, launched 'Operation Dignity' to combat the country's Islamist

factions. The conflict in Libya has been escalating ever since, and extremist groups including al-Qaeda and IS have been able to carve out a powerful foothold in this chaos.

Libya's transition beyond Qaddafi's misrule initially looked promising. Transitional authorities held successful elections in mid-2012 that returned a parliament that was broadly representative of Libya's major social and political currents. The major factions in this transitional parliament worked fairly well together from 2012 to 2013, forming coalition governments and quickly resuming oil exports. This progress was unable, however, to overcome the deep regional divisions that the civil war had accentuated. The Libyan government's inability to disband the various revolutionary militias and armed groups that emerged during and after the 2011 uprising left the central government weak and largely dependent on these same militias for internal security, thus fostering an untenable hybrid security structure.

New and reactivated jihadist networks took advantage of this environment to entrench themselves in Benghazi, Derna, and southern Libya. Meanwhile, the rough governing coalition that had led the transition faltered in late 2013 and early 2014. After various political factions resorted to 'Armed Politics' that is, forcing through desired legislation through the threatened employment of military might long-simmering tensions between rival armed groups boiled over into violent conflict in mid-May 2014, when Khalifa Hifter launched 'Operation Dignity' in Benghazi. This military campaign aimed to eliminate Islamist factions from Libya, starting with Benghazi. Hifter's offensive tapped into the fears and concerns of the Libyan public, which had grown disillusioned with the growing influence of Islamist militias, and was alarmed by rising levels of violence. He found a large number of supporters but also made absurdly large numbers of opponents, as Hifter refused to distinguish between jihadist groups and more moderate Islamists who might participate in the political system.

#### **Fault lines in Libya's armed conflict:**

It is worthwhile to examine the fault lines of conflict in Libya. Though the country's divisions are often described as primarily Islamist versus nationalist, they in fact reflect several deeper divides, including ethnic, tribal, and regional tensions, as well as a clash between so-called revolutionary and counter-revolutionary forces. Extremist groups have also been able to find a foothold in Egypt following the fall of Hosni Mubarak's regime. Though the election of Mohamed Morsi in June 2012 seemed to indicate a new, permanent role for the Muslim Brotherhood in Egyptian national politics, Brotherhood leaders remained deeply suspicious not only of the state institutions that had carried over from the Mubarak era, but also of their more secular political opponents. Morsi's strategy seemed to be commanding the state through fiat and plebiscites, and after his government faltered across 2012 and 2013, a new protest movement in Cairo turned out to oppose him. The military again stepped in, just as it had done to remove Mubarak, this time deposing Morsi. The Brotherhood was subsequently declared illegal, and a serious jihadist insurgency that had been building in the Sinai for years grew stronger and increasingly brutal after Morsi's fall.

Tunisia has had the most hopeful path of the three post-revolution states, which can best be described as negotiated democratization. Despite deep mutual suspicions, liberal, secularist, nationalist, and Islamist actors have been able to come to terms with each other, negotiate a liberal constitution, hold elections, and form coalition governments. However, the

Tunisian economy has faltered, and that country has also seen the growth of salafi jihadist violence, which was most brutally manifested in a March 2015 terrorist attack on Tunis's Bardo museum that claimed 22 lives.

Jihadism- The devastating terrorist attack at Tunis's Bardo museum on March 18, 2015 followed a period in which a growing number of jihadist attacks in western Tunisia demonstrated that the movement was rebounding from a state crackdown. The salafi jihadist groups Ansar al-Sharia in Tunisia (AST), Katibat Uqba ibn Nafi, and AQIM, all of which are connected in a variety of ways pose a security challenge in Tunisia and beyond.

The salafi jihadist movement grew far more quickly in Tunisia after Ben Ali's fall than most observers predicted, and post-Ben Ali jihadism has gone through four distinct phases. In the movement's nascent phase, which lasted until December 2012, AST did an effective job of fostering a social movement built around salafi jihadist beliefs by operating legally and in the open, and focusing its activities primarily on dawa (evangelism). Even during this period in which AST prioritized dawa, the group also embraced violence, its primary use of violence being hisba, a concept denoting "forbidding wrong." For AST, hisba entails the enforcement of religious norms within, and sometimes beyond, the Tunisian Muslim community. AST and other Tunisian salafi jihadists often sought to enforce these norms through vigilante violence.

The second phase for Tunisian salafi jihadism was a period of escalation in its fight against the state. In December 2012 militants shot and killed Anis Jelassi, an adjutant in the Tunisian National Guard, in the Kasserine governorate in western Tunisia. This incident prompted Tunisian authorities to identify, for the first time, a militant group known as Katibat Uqba ibn Nafi, which is tied to both AST and also AQIM. (In 2015, Uqba ibn Nafi would publicly identify itself as a battalion of AQIM for the first time.) The February 2013 assassination of secularist politician Chokri Belaïd was another escalation. Though Belaïd was killed by an AST member, it remains unclear if AST's leadership ordered or authorized his assassination, or if the cell responsible for his death acted on its own initiative. Belaïd's assassination prompted great anger domestically, but no crackdown against AST. Thereafter there were several more escalations in the conflict between AST and the government. The state stepped up its security operations in western Tunisia, and soldiers patrolling there suffered from frequent landmine attacks. The state also retaliated against AST in other ways, including interrupting public lectures and other dawa activities, and cancelling the group's annual conference, which was scheduled to be held in Kairouan.

In Egypt, Mohamed Morsi's election in June 2012 seemed to indicate a new, permanent role for the Muslim Brotherhood in Egyptian national politics, Brotherhood leaders seemed unwilling or unable to come to terms with the state institutions that had carried over from the Mubarak era, and were deeply suspicious of the secular-leaning opposition. Morsi's strategy seemed to be commanding the state through fiat, power grabs, and plebiscites, rather than through negotiation and incremental change. Morsi's government faltered across 2012 and 2013, eventually leading to a new protest movement in Cairo. The protests gained steam in the summer of 2013 and reached an apex in late June, when around 500,000 Cairenes and millions of others across Egypt took to the streets, demanding the Morsi regime's resignation. The military, claiming to represent the will of the Egyptian people, stepped in and deposed

Morsi's government. Abdel Fattah el-Sisi, who had been Morsi's minister of defense, has now been installed as Egypt's sixth president.

The post Morsi government has declared the Brotherhood to be illegal, and thousands of Egyptian dissidents have been arrested and jailed, many without charges. While the regime's repressive tactics have generally been effective in stamping out political opposition, many observers fear that they will contribute to polarization and the growth of extremism in the longer term.

The re-emergence of Egyptian jihadism- There already has been significant growth in jihadist activity in the wake of both Mubarak's fall and the coup that toppled Morsi. However, the requisite conditions for the growth of jihadism in the Sinai were present at the start of the Arab Spring. As the political scientist Hassanein Tawfik Ibrahim has noted, militant Islamic groups "represented a major challenge to the Egyptian political regime from the mid-1970s until the mid-1990s." Though they experienced a major setback at the end of this period, by the beginning of 2011 these groups had already begun to make a comeback.

That setback occurred in 1997, when the militant group Gama'a al-Islamiyya overplayed its hand, slaughtering 62 people mainly foreign tourists at the Temple of Hatshepsut in Luxor. Though Gama'a likely expected to devastate Egypt's tourist industry, instead the citizenry turned against the militant group, rallying behind the government's escalating counter terrorism measures. Mubarak's regime experienced extraordinary counter terrorism successes after the Luxor massacre, but Egyptian jihadist groups began to bounce back following the 9/11 attacks. The first significant post-9/11 terrorist incident in the Sinai Peninsula occurred in October 2004, when a series of car bomb blasts struck Sinai resorts, killing 34 people, including 13 Israeli tourists. The Abdullah Azzam Brigades (AAB) claimed responsibility. There were other significant attacks as well, including a July 2005 incident in which car bombs detonated in Sharm El-Sheikh, a major Sinai tourist area, killing at least 88 people and wounding over 110. AAB claimed credit for this attack as well.

A second problem with Ansar Bayt al-Maqdis's (ABM) pledge is that al-Qaeda has deeper roots than IS in both the Sinai Peninsula and North Africa more broadly. In the Sinai, al-Qaeda has a strong relationship with not only AAB but also the Muhammad Jamal Network and al-Qaeda in the Sinai Peninsula/Ansar al-Jihad. Elsewhere in North Africa, al-Qaeda has done an effective job of finding a foothold in the post-Arab Spring environment, including in neighboring Libya. ABM's pledge to IS thus will likely have the immediate effect of disrupting the associations that have benefited ABM. However, the problems caused by this disruption could be mitigated over time if other jihadist groups in the Sinai Peninsula and the region choose to align with IS.

A third problem with the bayatto IS is reputational, as IS is known for its brutal tactics. While it is possible that ABM's oath of bayatto IS will not have a significant impact on its operations, the oath may herald a move to tactics that are even more overtly cruel than those it employed previously. If ABM's tactics come to more resemble those of IS in Syria and Iraq, ABM could experience more open conflict with the Sinai Peninsula's Bedouin population and Egyptian Christians, and it may find itself further alienated from the Egyptian population. But even if ABM's pledge to IS weakens the group, Sinai jihadism is in an overall state of growth rather than decline. It will continue to trouble the Egyptian state.

Drug trafficking and smuggling- Egypt's location at the crossroads between the Middle East, North Africa, and East Africa has made it a central hub in the international drug trade. While cocaine and hashish are smuggled into Egypt from West and North Africa, traffickers from Afghanistan and Southeast Asia's Golden Triangle transit heroin through Egypt via East Africa. Egypt has also experienced a growing trade in illicit antiquities, many of which have been illegally removed from Egypt and fenced in European markets. Analysts are concerned that revenue from such antiquities sales may be used to fund North African jihadist groups.

Algeria, once the region's most benighted country, during the bloody days of its civil war has been largely immune to the political turmoil that has swept North Africa and the Middle East. Though Algeria shares many of the challenges that plague post-revolutionary countries in North Africa including corruption, limited political freedom and uneven economic growth, the regime has demonstrated a remarkable degree of resilience. Indeed, Abdelaziz Bouteflika, who has served as Algeria's president for 15 years, was recently re-elected to his fourth term. A number of political opponents claimed that Bouteflika's electoral victory, in which he received over 80% of the vote, was fraudulent, and boycotted the inauguration ceremonies. Presidential runner-up Ali Benflis arguing that recognizing Bouteflika's victory would have made him 'complicit in fraud'. Other signs that Algeria's stability may be eroding have begun to emerge. Protests have erupted in southern Algeria over the government's decision to begin hydraulic fracturing (fracking) in the region. Solidarity protests against fracking have also spread to Algiers, prompting Amar Saadani, secretary-general of the ruling National Liberation Front (FLN), to warn in an FLN meeting that "We fear the possible advent of an Arab Spring from the south." There are growing concerns about Bouteflika's health, and the impact that a leadership succession would have on Algeria's stability. Now 77, Bouteflika has been hospitalized several times since experiencing a "mini-stroke" in 2013. These incidents have left the president largely incapacitated, and have effectively left Algeria without a head of state. Still, Bouteflika's poor health does not appear to have had a significant destabilizing effect. Moreover, the Algerian government is in the process of considering constitutional reforms to help ensure a smooth transition of power when Bouteflika is finally forced to leave the political scene.

The Algerian government was able to maintain stability through the region's political cataclysms through a combination of political reforms and public sector expenditures. After Bouteflika announced in February 2011 that he would suspend Algeria's state of emergency, which had been in effect for 19 years, he pledged to adopt constitutional reforms that would allow free elections and greater press freedom. However, the political reforms implemented since 2011 have been largely insignificant, and most observers agree that Algeria is still governed by 'Le Pouvoir,' a small group of unelected military officers and civilian officials.

Morocco has avoided the kind of political upheaval that has consumed other North African states, it has not been entirely immune from internal pressures. In the spring of 2011, thousands of Moroccans participated in protests that came to be known as the February 20 movement, calling for stricter limits on the monarchy's influence in politics. King Mohammed VI responded by promising a new constitution that would address the protesters' concerns. The potential for instability remains a key issue for the Moroccan regime. The new Moroccan

constitution introduced in 2011 took a number of steps towards strengthening the democratic system, though the monarchy retained significant control over the political process. Among other things, the new constitution guarantees that the prime minister will be selected by the political party that receives the most votes in parliamentary elections, rather than being appointed by the king. It also grants the prime minister the power to appoint government officials, an authority that the king previously held. However, the king retains the right to dissolve the parliament.

In the wake of these reforms, the Justice and Development Party (commonly known by its French acronym, PJD), has established itself as the kingdom's most powerful political group. In some ways the PJD has asserted its authority. Prime Minister Abdelilah Benkirane, who is the PJD's secretary general, presided over local elections in June 2013 even though the interior ministry, which the king controls, was initially appointed to handle many of the election proceedings. In other ways, the PJD has been deferential to the monarchy, deferring to the King's circle of advisers on an array of issues, even those that pertain to religion. The PJD has sought to use this relationship with the monarchy, fluctuating between assertion and deference, to its advantage: PJD often emphasizes that, as Benkirane put it, the party's 'relationship with the king is not always perfect,' thus maintaining its distance from the monarchy's unpopular political decisions.

Jihadism- Morocco's holistic counter terrorism strategy is highly regarded across Africa. The strategy includes both hard and soft power initiatives. As part of the hard power component, the Moroccan military has stood up three units focused exclusively on the sub-state threats of terrorism, drug smuggling, and irregular migration. In addition, the Moroccan government has rolled out numerous initiatives aimed at addressing unemployment, poverty, and other potential drivers of radicalization. Many countries including Tunisia, Libya, Mali, Guinea, Ivory Coast, and Nigeria have sought the Kingdom's assistance in training religious leaders to play a role in the fight against violent extremism. But the threat of terrorism is always present: Moroccan security forces went on high alert in July 2014 after receiving threats. Morocco's deadliest encounter with terrorism came in May 2003, when a dozen suicide bombers conducted synchronized attacks against soft targets in Casablanca, including a hotel, a club, and a Jewish community center. These attacks killed 33 civilians and wounded more than a hundred. The Casablanca attacks prompted Morocco to implement its comprehensive counter terrorism strategy.

At present Morocco's main concern with respect to jihadist groups is the challenge posed by foreign fighters returning from Syria and Iraq. According to the International Centre for the Study of Radicalization, which has compiled the most comprehensive publicly-available estimates of foreign fighters from across the globe, around 1,500 Moroccans have joined Sunni militant groups in Syria and Iraq. Morocco's Operation Hadar (Arabic for vigilance) has significantly increased the military and police presence at "central sites in all large cities, as well as at airports and train stations." The stated purpose of this operation, as articulated by minister of the interior Mohammed Hassad, is to ensure "the security of citizens and foreign visitors." But the military presence in cities has been off-putting to some Moroccans who fear that Operation Hadar portends a "return of a sort of surveillance state that existed" under the country's previous monarch, Hassan II. In addition, Morocco has recently launched a number of raids against foreign fighter recruitment cells.

### **Economic changes in North African region after Arab spring :**

The five North African countries are diverse not only politically but also economically (oil exporters vs. importers etc.). Nevertheless, they also share major economic characteristics. Among them are the significance of the private sector and items such as the national budget, balance of payments and inflation, as well as demographics and the labor market. The following analysis demonstrates that, these are not common strengths but problems and misguided developments. Without a doubt, they significantly contributed to the dissatisfaction of the population and social tensions which subsequently erupted in the Arabellion.

### **The Libyan economy:**

Political instability and civil conflict have taken a severe toll on Libya's economy. Though oil production quickly recovered in the wake of the 2011 revolution, persistent conflict over control of oil facilities began to noticeably slow production in mid- 2013, and Libya's GDP declined by almost 10% that year. Since the outbreak of the 'Dignity- Dawn conflict', oil production has declined even further, coming to a virtual standstill at some oil terminals and production facilities. The World Bank has noted Libya's key economic priorities at this point:

"Immediate priorities are to restore political and economic stability and help manage growing public expectations at the same time as meeting demands for rapid improvements in basic services. The Libyan authorities need to continue to focus on restoring security and the rule of law, fully restoring public services and operations, exercising budget discipline, and rebuilding government institutions.... Other priorities include rebuilding infrastructure, reorienting the economy away from hydrocarbon dependence, and setting up a governance framework that promotes private sector development, job creation, and inclusive growth." Libya's booming black market in both licit and illicit goods has also hindered the formal economy's growth.

### **The Egyptian economy:**

Egypt faces economic problems similar to other countries in North Africa, including high unemployment rates and an unsustainable budget deficit. Thus Egypt has relied heavily on the largesse of such Gulf Arab states as Saudi Arabia, the United Arab Emirates (UAE), and Kuwait, which have propped up the Egyptian state to the tune of about \$20 billion. The World Bank notes that this influx of cash has helped the authorities to stabilize the economy and to partially meet the country's energy and food needs. The Gulf States appear committed to sustaining their economic support for Egypt: At a recent investment summit in March 2015, Saudi Arabia, Kuwait, UAE and Oman jointly pledged \$12.5 billion to boost the Egyptian economy. Since taking power, Sisi has stressed the importance of private investment. His government subsequently proposed "A bundle of investment friendly macroeconomic reforms in the areas of fiscal, monetary, and exchange rate policies, as well as legal reforms aimed at redefining relations between the state and the private sector." Sisi may ultimately have to reduce the Egyptian government's involvement in the economy in order to secure more private investment, potentially a very disruptive political step.

Egypt has made progress on some of the fundamental economic issues that bedevil it,



including its budget deficit. In July 2014, the Egyptian oil ministry finally slashed fuel subsidies, thus increasing prices by up to 78 per cent. This alleviated some of the budgetary pressures created by the state's energy subsidies. Egypt also passed tax increases on cigarettes and alcohol to increase government revenues. Though unemployment has declined in the last few quarters, the lack of job opportunities continues to be a pressing concern, especially for young Egyptians and recent university graduates. Subsidies still account about 30% of Egypt's budget, even after recent cutbacks. Reducing the remaining subsidies will prove challenging, as the Egyptian public has grown accustomed to government subsidization of basic goods and, given the struggling Egyptian economy, many people depend on it.

#### **Tunisia's economy:**

Tunisia's economic situation has slowly improved in the last two years, though the country is still beset by deep seated structural economic issues. Restrictive labor policies offer employers little flexibility in their hiring and firing decisions, thus inhibiting job creation. Excessive market regulation, including limits on the number of firms allowed to produce goods for the domestic market and high taxes on companies that sell locally, creates high barriers to entry and discourages private investment. The World Bank has also identified Tunisia's investment policy as a key economic obstacle: "The investment policy, which is centered on the separate treatment of companies producing for the domestic market (onshore) and companies producing for exports (offshore), is at the root of the development challenges facing Tunisia today. This segmentation, which limits links between firms in the two regimes, has resulted in greater imports of intermediate products and fewer products made in Tunisia (that is, less value added in Tunisia). The onshore-offshore dichotomy was initially helpful in the 1970s but is now contributing to keep both sides of the economy trapped in low productivity." These structural problems have hindered job creation and resulted in high levels of unemployment and underemployment, which have had a disproportionate impact on Tunisian youth. Though the unemployment rate has declined since 2011, when unemployment peaked at 18.9%, unemployment remains above 15%. Many recent university graduates find themselves either unemployed or working in jobs that are not commensurate with their level of education: Over 30% of university graduates were unemployed in 2012, more than double the unemployment rate for the same cohort in 2005. Youth unemployment poses significant social and political challenges, as young unemployed or underemployed Tunisians may be a prime source of discontent and unrest. Unemployed youths may also be vulnerable to the appeal of jihadist ideology. Many Tunisians who have traveled to Syria and Iraq to join jihadist militant groups come from the ranks of the country's unemployed and underemployed university graduates.

Other economic challenges include high energy subsidies and excessive government intervention in the economy. Energy subsidies in particular have shifted foreign investment toward energy intensive sectors at the expense of other sectors. While the government has taken limited steps to reduce subsidies, more reforms are needed to improve the country's long-term economic outlook.

#### **Algeria's economy:**

Algeria's tenuous economic situation is also a concern. Algeria is in dire need of bold economic reforms because unemployment hovers at around 30 percent, and oil and gas production dropped from 65 billion cubic meters in 2005 to only 45 billion in 2013 but Bouteflika's efforts to mollify domestic discontent by redistributing oil wealth and providing subsidies to the population have done little to improve Algeria's long-term economic prospects. Algeria relies on hydrocarbons for about 98% of its export earnings and 60% of its budget revenues and the recent drop in global oil prices is likely to increase the country's budget deficit.

A worsening economic situation in Algeria also raises political concerns. The government is quite generous with its subsidies, viewing them as a tool to assuage discontent. Indeed, when protests swept North Africa in 2011, Algeria granted zero-interest loans to thousands of unemployed young people and increased the salaries of thousands of public sector employees in an attempt to prevent social unrest from spreading. Such subsidies are largely funded by Algeria's energy export revenues and without subsidies, the government stands to lose a significant amount of legitimacy. With oil prices in decline, Algeria already has announced ten save money measures, including a public sector hiring freeze.

#### **Morocco's economy:**

Morocco's political stability has helped to attract investment from private companies, boosting economic growth. In addition, Morocco is the largest recipient of European Union funds under the European Neighborhood Policy (ENP), through which Morocco has received €1.3 billion from 2007 to 2013. Currently Morocco's main economic concern is its high youth unemployment rate (19.1%), which is problematic both from an economic and also security perspective. The government is making efforts to create jobs, but structural economic issues continue to inhibit substantive progress in reducing unemployment. Specifically, rigid labor market policies and high barriers to entry have stymied job creation and created imbalances in the job market. Thus youth unemployment has risen in recent years despite the growth in Morocco's GDP.

Overall, Morocco is the most stable country in North Africa. While the country's reputation on human rights and democratic political reforms is far from unblemished, Morocco has made progress in these areas. Morocco faces no imminent threats to its political stability.

#### **Conclusion :**

Since the Arab Spring protests of 2011, the political environment in North Africa has been characterized by insecurity and volatility. While the regimes in Morocco and Algeria managed to endure the region's political turmoil, the revolutions in Libya, Tunisia, and Egypt have had vastly different outcomes. Tunisia has long been considered the lone success story of the Arab Spring, with a relatively stable transition to democracy. Egypt's counter revolution has essentially restored the political order that existed during the Mubarak regime, even while challenges from jihadist groups in the Sinai pose a growing threat to security. Meanwhile, Libya's post-revolution implosion has served as a cautionary tale. The civil conflict now ravaging Libya has left the country deeply fragmented and insecure. Concerning human development, countries have made significant progress, especially in the sectors of health and education. However, since 2011, deficit reduction in human development begins to slow

down and show the limits of the development model mainly focused on investments in the HDI components not related to income or to the economic sector, such as health and education.

All countries in the North African region need to step up economic and trade diversification and competitiveness and promote the development of private enterprise. And addressing infrastructure deficiencies, promoting the development of skills in line with private sector needs, fostering the development of the financial sector to ease access to finance and increasing labor market efficiency will certainly be instrumental in fostering a better environment for businesses. Such broad measures should be accompanied by the promotion of entrepreneurship and the integration of women and youth to the economy. This would also help to ease the pressure of expanding labor forces that add to the already high levels of unemployment.

## REFERENCES

- Algeria's Bouteflika in French Hospital, Reason Unclear*," Reuters, November 14, 2014.
- Benoit, Faucon (2014). "Eni, Repsol Expatriates Evacuated from Libya," *Wall Street Journal*, July 20, 2014.
- Caitlin, Poling (2014). "Algeria on the Edge," *U.S. News and World Report*, April 17, 2014.
- Charlotte, Bozonnet (2015). "Political Stability in Morocco Cannot Silence the Murmurs of Discontent," *The Guardian* (U.K.), March 9, 2015.
- Crozier, S. (2012). "Egypt and the Economic Implications of the Arab Spring". 2012.
- David, Kirkpatrick (2014). "Strife in Libya Could Presage Long Civil War," *New York Times*, August 24, 2014.
- European Commission, "International Cooperation and Development: Morocco Overview" (accessed March 31, 2014).
- Gunmen Storm Libyan Oil Field, Killing Four," *Wall Street Journal*, February 4, 2015.
- Hassanein, Tawfik Ibrahim (2010). *The Rise and Fall of Militant Islamic Groups in Egypt*," in KlejdaMulaj ed., *Violent Non-State Actors in World Politics*. New York: Columbia University Press. 2010.
- Huise, J. (2012). "The Effect of the Arab Spring on Libya's GDP". 2012.
- Patrick, Kingsley (2013). "Protesters across Egypt Call for Mohamed Morsi to Go," *Guardian* (U.K.), June 30, 2013.
- Paul Schemm (2013). "Jihadis Threaten Tunisia's Arab Spring Transition," *Associated Press*, July 31, 2013.
- Peter, B. (2011). "Arab Spring Upheaval Cost \$55bn".
- Peter, Cole and Brian, McQueen (2015). "The Libyan Revolution and its Aftermath Oxford": Oxford University Press.
- Siobhan, Gorman and Matt, Bradley (2012). "Militant Link to Libya Attack," *Wall Street Journal*, October 1, 2012.

\*\*\*\*\*