

Trade and History: The Case of EU-Algeria Relations

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The centennial of Albert Camus's birth, duly marked by academic conferences in history and literature departments, has had little resonance in European Union ("EU") legal scholarship. Yet the political engagement of the French-Algerian Nobel Laureate is a natural entry point into the EU's laws and policies vis-à-vis the global South, and Algeria is today a particularly salient example of the EU's relations with North Africa.^[1] The Parisian tragedies of January 2015 have brought into the spotlight all that can go wrong in post-colonial societies and called into question the efficacy of a vast array of French, European, and more broadly "Western" choices in the Mediterranean region. In the aftermath of the Charlie Hebdo massacre, the legal community has naturally focused on the scope of free speech and on the resilience of secular democracies, but fresh and deeper analyses are needed in many other dimensions, ranging from migration management to strategies for the development of Europe's southern neighbors.

Among the subjects of such analyses—we argue—should be the effects of the EU's trade policies with regard to North Africa. Migration flows are determined by poverty and unrest in countries of origin, and because trade is often touted as a tool for bettering the economic and political stability of all trading partners,^[2] it is important to empirically verify the impact of trade agreements on the overall wellbeing of Europe's partners. Camus himself identified free trade as an instrument of peace and prosperity within Europe and believed that Algeria would thrive in the context of a pan-European market.^[3] After his death, the process of market integration did indeed take place in the Old continent, and a parallel process of trade liberalization has since occurred across the Mediterranean, but the impact of such processes on Algeria continues to be mixed news. It is on such news that we shall now focus.

Mercantile deals may strike readers as an elliptic target in this context. Since the 1960s, the emancipation of formerly colonial economies has been conceived as too delicate an enterprise to be left to the simple logic of free trade, and has traditionally been framed as a matter of "development cooperation"—a rapidly evolving blend of tariff preferences, financial assistance, and now rule-of-law and democracy-building programs in favor of struggling nations.^[4] Yet the removal of residual barriers to trade in goods and services continues to be a core aspect of EU activity. In many circles, including the European Commission's Directorate General for Trade ("DG Trade"), trade liberalization across the Mediterranean has featured regularly as a goal since the 1990s and is often an established reality.^[5] The association agreements linking the EU with North African states all aim at reciprocal market opening as a matter of principle. In an era of

generally low trade barriers, such arrangements may seem unremarkable, but they produce dramatic distributive consequences and therefore need unwavering attention.

Recent empirical studies concerning EU association agreements with eastern neighboring countries have pointed out that trade liberalization, even when it generates wealth in the aggregate, may worsen the plague of spatial disparity and deepen existing cleavages in already dysfunctional societies.^[6] Small changes in the patterns of commerce can suppress entire sectors of the economy—especially sectors that could have fostered rural development or economic diversification. And because rural development and diversification are generally deemed essential to healing the social fabric of Europe’s neighbors, it is now particularly important to gauge the real effects of the EU’s commercial policy in North Africa and the Middle East.^[7] The point of this Article is to invite particularized inquiries into the consequences of trade between the EU and each of its partners, using not only econometric tools but also textured accounts of historical legacies.

Exemplifying this line of inquiry with the case of Algeria seems appropriate not just because of the current salience of French-Algerian relations, but also because of this country’s particular enmeshment with the history of the EU’s commercial policies.^[8] Algeria proclaimed its independence from France in 1962, which means that for five years the Algerian territory was a part of the European Economic Community (“EEC”) through France and that Algerian decolonization was synchronous with the creation of a customs union in the heart of Europe.^[9] Close studies of Algeria in those years indicate that massive trade diversions resulted from the very birth of the Common Market.^[10] It is also the case that current trade policies, while incorporated in broader cooperation instruments, are not adequately redressing the effects of such lopsided arrangements.

This Article, linking the 1960s death of the Algerian wine industry to the country’s ongoing struggle to diversify its markets, point at patterns of trade that have failed to assuage crucial problems in Algeria’s economy. In the process of putting together the puzzle of North-South relations, this is a piece we should not lose sight of.

1. Algeria’s Economy Today: An Overview

The risks and sacrifices that so many Algerian migrants face in Europe give us a sense of the misery they leave behind when they embark on their journey of hope. High rates of unemployment, combined with lack of faith in the ruling class, generate massive emigration fluxes.^[11] The nature of misery in contemporary Algeria is, however, not obvious. There is a significant discrepancy between the image of a destitute land, which migrants eagerly flee, and the relatively solid portrait of Algeria that emerges from aggregate data. Algeria is a “middle-income” country that has managed to refrain from external borrowing since 2005. High-energy prices in the early 2000s generated extra revenue, which allowed the Algerian government to repay its foreign debt and increase its geopolitical importance. According to a recent economic profile,

Algeria has the 10th-largest reserves of natural gas in the world and is the sixth-largest gas exporter. It ranks 16th in oil reserves. Strong revenues from hydrocarbon exports have brought

Algeria relative macroeconomic stability, with foreign currency reserves approaching \$200 billion and a large budget stabilization fund available for tapping. In addition, Algeria's external debt is extremely low at about 2% of GDP.[\[12\]](#)

Moreover, the country was notably *not* shaken by the Arab Spring and has been relatively stable for the past decade.[\[13\]](#) Terrorist attacks, mostly launched from neighboring countries' Islamic extremists, periodically wreak havoc and slow down the pace of foreign investment, but remain relatively self-contained and do not disrupt the country's productive life.[\[14\]](#)

Wealth and relative stability, however, have not borne sufficient fruit in many pockets of Algerian society. The point is that the cash flow generated by hydrocarbons comes with two significant drawbacks. First, it is concentrated in the hands of the country's elite or siphoned off to foreign investors, with no immediate benefits for the Algerian poor.[\[15\]](#) Second, it is excessively dependent on world price fluctuation and is therefore subject to sudden contractions. The country's economy continues to be plagued by lack of diversification (with hydrocarbons accounting for 95% of Algerian export earnings)[\[16\]](#) and spatial disparity, i.e. abysmal poverty in rural areas and largely disappointing performance of privately owned business. Virtually all sectors of Algeria's economy, with the exception of oil and gas, still struggle.

From the perspective of developed countries, the cause of such problems lies in the Algerian government's reluctance to liberalize. Algeria's patterns of state intervention in the economy, expansive fiscal policy, and relatively profligate public spending stand in stark contrast with current recipes for progress.[\[17\]](#) In 2013, the World Bank's *Doing Business* report ranked Algeria 152 out of 185 economies, indicating that the Algerian regulatory environment is not hospitable to business, and in particular to small and medium enterprises.[\[18\]](#)

It is indeed common knowledge that the Algerian government keeps a tight grip on economic activity. President Boumediene's large nationalization project in 1971 has since given way to a more liberal attitude towards private entrepreneurship. Still, government policies remain wary of foreign investment. For example, the government passed the Hydrocarbons Law of 2005, which was meant to terminate the state's monopoly over all hydrocarbon-related activities, from exploration to transportation. Indeed, the Hydrocarbons Law paved the way for new and transparent bidding processes for international investors. An executive order in 2006, however, guaranteed a 51% government share in all ventures and introduced additional tax burdens for foreign investors.[\[19\]](#)

This concentration of power in government hands has also been denounced as a deplorable obstacle to Algeria's own private entrepreneurship. The African Development Bank, for instance, has noted the Algerian government's insistence on pouring resources into state-owned industries.[\[20\]](#) This policy is radically at odds with Europe's liberalization mantra, both within the energy sector and across the board of economic activities.[\[21\]](#) To be sure, one finds occasional acknowledgements that Algeria's timely reduction of foreign debt sheltered the country from the global financial turmoil of 2008.[\[22\]](#) What is more common, however, is a general condemnation of Algeria's economic policies, both towards Foreign Direct Investment ("FDI") and with regards to domestic enterprises.[\[23\]](#)

Against this background, we ask, has the EU's trade and cooperation agenda contributed to the betterment of the country—to diversifying its economy, to restructuring its productive sectors, or to raising the standards of its rural life? The answer to this question is mixed. As observed, it is common, in Europe and elsewhere, to blame Algeria for its own troubles. Yet, there is room for considering whether EU policies may have, over time, also tied Algeria to the status quo.

2. Cooperation

Ameliorating the economic conditions of the Maghreb, and of Algeria in particular, is a goal dear to the EU polity for reasons that range from energy security to humanitarian concerns. The Algerian government, in particular, is a desirable bulwark against terrorism and irregular migration from the heart of Africa. Europe is thus invested in shoring up its strength and enabling its “prosperity and stability.” Cooperation with North African countries—already embedded in a series of country-specific agreements such as the EEC-Algeria Cooperation Agreement of 1976 (“1976 Cooperation Agreement”)^[24]—was re-launched as a general policy with the Barcelona Declaration in 1995,^[25] and then deepened and revived in 2008 within the framework of the European Neighborhood Policy (“ENP”).^[26]

Over the years, in conjunction with new theorizations in the field of law and development, the meaning of cooperation has evolved. In the 1976 Cooperation Agreement, cooperation meant financial assistance from the EEC budget in limited fields of production, the training of executives, and the construction of new infrastructure. In the 2002 Association Agreement that has since replaced the 1976 deal, cooperation reaches deep into civil society, education, and rule-of-law initiatives.^[27] Most recently, the EU has adopted a new tool for cooperation, the European Neighborhood Instrument (“ENI”), which renews conditional promises of assistance to its neighbors.^[28] The promotion of “deep and sustainable democracy”—a core item in the ENP agenda—includes such objectives as fair elections, freedom of expression, judicial independence, fighting against corruption, and migration management. It encompasses concerted efforts to underpin the Algerian economy and solidify the rule of law.^[29] In sum, in line with the post-Washington Consensus, today's cooperation aims to strengthen the institutional capacity of Europe's neighbors—a capacity that is deemed essential to enable free trade and to reap its fruits.^[30]

Trade and cooperation are supposed to be two sides of the same coin and to be perfectly suited to reinforce one another. In principle, cooperation strengthens the institutions upon which a market economy depends and provides incentives for liberalization. In turn, the loosening of the state's grip on business enables new private initiatives; the economy then diversifies and the promised benefits of comparative advantage, thanks to the abatement of trade barriers, can then be fully realized. In the spirit of cooperation, the EU promises to lend know-how, institutional expertise and, of course, money.^[31] Help, however, comes with strings and is conditioned upon the partner state's willingness to engage in meaningful structural reforms: reducing the scope of monopolies, protecting intellectual property, cutting red tape, and letting the private sector—whether local or foreign—take charge of yet untapped resources.^[32]

Within the framework of cooperation, difficulties have been remarkable. According to the Association Agreement, the full-range implementation and funding of cooperation initiatives

requires an Action Plan, which is supposed to describe in detail Algeria's commitments to reform and the EU's necessary supporting measures. However, no Action Plan has seen the light of day.^[33] Conditionality has worked well with Algeria's more palatable and reform-oriented neighbors—most notably Morocco—but not so with Algeria itself.^[34] Due to its statist tendencies, the Algerian government comes across as the “most awkward” partner^[35] of the EU amongst North African states. Most recently, the Commission has sketched for the Council a proposed Framework Agreement that would allow Algeria to participate in EU programs and receive significant assistance,^[36] but Algeria seems to be politically “frozen.”^[37] Thus, the distribution of EU aid in the ENP context sees Algeria at the bottom of the list of recipients.^[38] The following critique, directed to the ENP overall, captures particularly well the cooperation impasse between the EU and Algeria:

[R]ather than offering a clear carrot from the outset, under the ENP the EU requires countries to undertake a variety of reforms, and only once reforms have been implemented will the EU *consider* offering the possibility of some form of deeper relations.^[39]

The carrot and stick game known as conditionality seems to have turned into a chicken and egg problem: Algeria and the EU cannot agree on whether structural reform depends on aid or vice versa. The result is gridlock: the EU places ever more emphasis on conditionality (“more for more”) and Algeria remains unyielding.

3. Reluctance revisited

Overall, the EU seems poised to pressure Algeria into opening its markets to competition. For Algeria, however, the fluctuation of prices and the decreased predictability that come from market liberalization are harbingers of serious challenges. A loss of market share is a terrifying prospect for a country whose eggs are in one basket, and Algeria's economy remains entirely dependent on its hydrocarbon reserves. The reasons for this predicament are in many ways endogenous, but external causes must be noted as well.^[40] The EU-Algeria 2013 Memorandum of Understanding (“Memorandum”) on strategic energy partnership,^[41] for instance, further consolidates the narrow range of Algeria's productive activities (oil and gas). The Memorandum does mention the possibility of cooperation in renewable energy sectors, but a recent attempt to boost solar energy production in Algeria has not proven viable as a result of shrinking budgets in EU member states, and it is by no means clear that this Memorandum could resurrect the solar energy project.^[42] Against this background, Algeria's mistrust does not seem irrational.

There are also other explanations for Algeria's seemingly obstinate and self-defeating posture in the face of EU offers. A closer look at the details of the agreements that have been negotiated reveals another side of the EU-Algeria relations—namely, trade in goods—which receives less attention than cooperation, and yet is particularly revealing of endemic and historically charged imbalances of power. In the EU's proffered trade deals, there is a growing insistence on parity of trade terms. The website of the DG Trade informs the public that as of 2014 Algeria no longer benefits from the EU's Generalized System of Preferences (“GSP”), because its Free Trade Agreement (“FTA”) with the EU is finally coming to fruition.^[43] For countries like Algeria, whose citizens still hold vivid memories of colonial times, the ongoing transition from differential regimes to fully reciprocal FTAs could represent modernity and emancipation. There

is much dignity in such development, and the tone of the DG Trade's announcement is accordingly upbeat.[44] In terms of effectiveness, however, EU trade policies vis-à-vis Algeria have a less than stellar record. These policies are worth exploring in some detail to better understand why the relationship between EU and Algeria retains features of structural imbalance half a century after the proclamation of Algeria's independence.

4. Camus and Trade

Over the course of his life, Albert Camus developed and nurtured two parallel federalist projects: one for Algeria, which he imagined as a pluralist society in which French nationals would continue to enjoy political representation alongside Arabs, Berbers, and ethnic minorities;[45] and the other one for Europe, wherein—in synch with communist intellectuals[46]—Camus auspicated the peaceful rapprochement of France and Germany and a complete demise of nationalism, to be realized by means of free markets and shared political institutions.[47]

Camus's first project foundered. The political deal he had envisaged for Algeria had despicable colonial features—most notably the over-representation of French interests in Algerian democracy—and grew less and less realistic over time.[48] As evidenced by his socio-political commentaries, by the 1950s Camus himself had become painfully disillusioned with his own recipe for Algerian government.[49] By contrast, the project of a peaceful, united Europe succeeded well beyond the limits of Camus's imagination. In March 1957, the French foreign Minister Christian Pineau—himself a communist and a protagonist of French Resistance—co-signed the Treaty of Rome, turning at least one of Camus's federalist dreams into reality. As a result of French membership, the Algerian nation became part of the EEC. The 1957 Treaty of Rome specified that Algeria, while not a member state in itself, would gain both rights and obligations related to the free movement of all Community goods, and would also partake in the Community regime for agriculture.[50] Had he lived longer, Camus would have probably asked what a united Europe could do to rescue Algeria from economic and political dysfunction. Would the Community's free trade recipe—the principled abolition of all *frontières douanières*—provide an answer to this unspoken question?

The Treaty mandated the abolition of all tariffs on imports and exports within the Community, but it granted the Member States twelve years to accomplish this goal. Algeria became independent in 1962, thereby exiting the Community before the demise of all internal customs duties. Algerian exports, therefore, never came to be fully liberalized onto the European market. Quite to the contrary, the creation of a Common Market in continental Europe had the effect of erecting new obstacles to Algerian products. Wine illustrates this point effectively.

5. Wine and the Origin of EEC-Algeria Trade

The bloodiest time in French-Algerian history—the Algerian war of independence—coincided with Algeria's entry into the EEC, not as a member state but as an integral part of France.[51] European inclusion was short-lived: as a result of the Evian Accords of 1962, Algeria was excised from the Community, and many Algerian-born persons, having enjoyed French nationality, returned to third-country national status.[52] The same happened to goods. Algerian wine, for instance, initially treated as French for customs purposes, suddenly became a third-

country product. This story illustrates the possibly negative externalities of EU market integration and casts EU policies towards Algeria in a less than glowing light.

The wine industry had been born on Algerian soil in the 1870s, following an epidemic of phylloxera in France. Vine farmers had relocated en masse in Algeria, carrying with them sophisticated winemaking technologies—most importantly refrigeration systems—and taking advantage of native farmers as cheap labor. Imports from Algeria ensured adequate wine supply in France in times of scarcity, but even when production resumed abundant on French soil, the Pieds Noirs kept a steady market share in France. [53] By the 1950s, Algeria had become the largest exporter of wine in the world.[54] For religious and political reasons, there was no consumption of wine amongst Algerians, and France was its only market.[55]

The nationalization of Algerian agriculture, declared immediately after independence, led wine producers of French nationality to return home, leaving behind a thriving industry. Algeria relied for a while on a 1964 French commitment to purchase its wine—part of a larger cooperation effort in the aftermath of independence—but France, upon Italy’s insistence, did not honor that deal.[56] The Algerian government also sought to maintain, at least de facto, a privileged trade regime with the Community,[57] and refused to sign a 1969 cooperation agreement that would hurt its ability to export agricultural products to the EEC.[58] But things were inexorably changing.

As soon as France ceased to erect protectionist barriers against other European wines, imports from Algeria lost their competitive edge.[59] An EEC Regulation designed to launch a Common Wine Policy also determined that bottles produced on the Continent could not contain wine of non-EEC origin.[60] The onset of European integration resulted in the complete demise of a once profitable stream of commerce.

This episode, by now well documented, is a dramatic illustration of the trade diverting effects of market integration in the EU. It is often the case that the enablement of free trade within a given region of the world upsets preexisting patterns of commerce in third countries. But Algeria was no third country when European integration began, and had relied on trade continuity after political independence. As time went on, it became increasingly clear that Algeria could no longer count on privileged commercial ties to Paris due to the *Métropole*’s new allegiances and obligations towards the Community’s member states. In 1978, when the Cooperation Agreement entered into force, Algeria’s economy suffered additional setbacks. With regard to goods, the Cooperation Agreement offered Algeria free access to the EEC market for most of its non-agricultural products, as well as some tariff concessions for its agricultural exports. At the same time, textiles and refined petroleum products from Algeria stopped benefiting from zero rate tariffs. Seasonal restrictions were also imposed upon the import of agricultural products, with “disastrous” consequences for Algerian exports.[61] The 1980s’ accession of Greece, Spain, and Portugal dealt an additional blow to Algeria’s chance of selling its agricultural goods competitively to EEC customers.[62]

6. Trade in Goods Today

The graduation of Algeria from GSP status to free trade partner, hopefully soon to join the World Trade Organization (“WTO”),[\[63\]](#) is noted in the DG Trade website as a definite step in the right direction.[\[64\]](#)

Below the surface of such glib announcements lies an unsurprisingly complex reality. The free trade deal is a section of the Association Agreement, which entered into force in 2005 and laid the ground for the effacement of tariffs in EU-Algeria commerce.[\[65\]](#) Following the blueprint of the EU’s GSP, the Agreement provided for immediate non-reciprocal concessions: as soon as the Agreement became effective, the EU dropped down to zero the tariffs on most Algerian imports;[\[66\]](#) Algeria, by contrast, was allowed to keep in place temporary custom duties to protect national industries, and was given twelve years to phase them out.

This lopsided arrangement, while favorable to Algeria, was unlikely to stimulate imports for several reasons. First, the EU grants free-trade privileges to an increasingly large number of countries, and duty-free access to its market is now the baseline for most competitors—certainly *not* a coveted prize for the few. Second, some exporting countries have negotiated better terms (i.e., duty-free access for a broader range of products) than Algeria could ever receive, because Algeria does not qualify as a “vulnerable” economy by EU standards.[\[67\]](#) Third, and most importantly, duty-free access only benefits those industries whose goods would be competitive in terms of both quality and price in the absence of trade barriers. Many of Algeria’s products, however, are less than competitive, and are not likely to win the hearts and purses of EU consumers even if unencumbered by tariffs. As a result, the asymmetric trade concessions graciously granted by the EU have been less helpful than anticipated.

The detailed data on EU-Algeria trade recently released by the DG Trade corroborate this sobering assessment.[\[68\]](#) Statistical figures track the trend of imports and exports from 2008 to 2012—well after the entry into force of the Association Agreement. Numbers and charts illustrate very clearly that the EU market is notably *not* flooded with any of the goods that either farmers or small and medium enterprises in Algeria are likely to produce. Empirical studies show that Algerian exports to the EU in all non-hydrocarbon sectors have not experienced any significant trade creation.[\[69\]](#) Imports into the EU from Algeria have grown significantly in the aggregate, but this growth is only due to a spike in imports of “mineral products.”[\[70\]](#) Trade in minerals, given the structure and ownership of Algerian natural resources, brings revenue either to the government or—since the partial liberalization of the sector[\[71\]](#)—to foreign investment, but not to middle-scale entrepreneurship. With the exception of animal hides and leather, Algeria is a net importer of all manufactured items, agricultural products, and textiles. Algerian textiles, in particular, are no longer to be found in the list of exports to the EU.[\[72\]](#) Textiles are an important part of Algeria’s traditional economy,[\[73\]](#) and also a staple of small and medium enterprises, but the textile sector finds no reward or boost in the EU market.[\[74\]](#)

In parallel, the reduction of Algerian custom duties upon European goods has resulted in a significant boost to EU exports, which reduce consumption of local goods, and in a loss of custom revenues for the state.[\[75\]](#) For these reasons, in 2012 the Algerian government was given a longer time to implement the total phase-out, now postponed until 2020.[\[76\]](#) In sum, the duty-free access to the EU market has not managed to alter the export patterns of Algeria. The EU’s

trade policy is not conducive to Algeria's economic diversification and does not assuage the country's dependence on energy exports.

Conclusion

The sketch drawn in this Article suggests that the ideally virtuous circle of trade and cooperation has not necessarily yielded the desired results in EU-Algeria relations. History is replete with examples in which the opening of markets has not worked towards diversification, but rather against it. Wine in the 1960s, textiles in the 1980s, and most recently clean energy initiatives have provided illustrations of a recurrent pattern—one in which markets fail to prompt diversification and rather ossify entrenched economic structures. Cooperation measures, rather than synergic complements to trade, become necessary to compensate for the market's negative impact. Predictably, however, the resilient rhetoric of neoliberalism gets in the way of detailed analyses and perpetuates the assumption that free trade works *regularly* towards social peace and widespread prosperity.^[77]

There is insufficient dialogue between post-colonial studies and current analyses of trade flows. History escapes, by definition, the scrutiny of contemporary empirical inquiries. It is therefore difficult to connect new dots to old ones, and to see the line that runs, unchanged, through today's energy markets and through the wine commerce of the 1960s. Yet, grappling with contemporary socio-political nightmares will require exactly this type of work.

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[1] The Parisian tragedies of January 2015 have brought French-Algerian relations into the spotlight. The Charlie Hebdo massacre was the work of two brothers of Algerian origin, and the perpetrator of the supermarket siege in eastern Paris had a history of affiliation with Algerian terrorism. See Rukmini Callimachi & Andrew Higgins, *Video Shows a Paris Gunman Declaring His Loyalty to the Islamic State*, N.Y. TIMES, Jan. 11, 2015.

[2] See, critically, VISHAAL KISHORE, RICARDO'S GAUNTLET: ECONOMIC FICTION AND THE FLAWED CASE FOR FREE TRADE (2014).

[3] See *infra*, Section 4.

[4] PIET EECKHOUT, EU EXTERNAL RELATIONS 451 (2d ed. 2011); Lorand Bartels, *The Trade and Development Policy of the European Union*, 18 EUR. J. INT'L L. 715 (2007).

[5] See Bartels, *supra* note 4 (noting that the EU was pressured by the WTO to embrace reciprocity and abandon preferential treatment based on historical ties with particular countries).

[6] Vassilis Monastiriotis, Dimitris Kallioras & George Petrakos, *The Regional Impact of EU Association Agreements: Lessons for the ENP from the CEE Experience* 20 (LEQS Discussion Paper Series, Discussion Paper No. 80/2014, 2014).

[7] A similar plea for close investigation, given the worrisome distributive impact of association agreements in the EU neighborhood, is voiced by Monastiriotis. *Id.*

[8] See Muriam Haleh Davis, *Restaging Mise en Valeur: "Postwar Imperialism" and the Plan de Constantine*, 44 REV. MID. E. STUD. 176 (2010).

[9] Kalypso Nicolaïdis, *Southern Barbarians? A Post-colonial Critique of EUniversalism*, in ECHOES OF EMPIRE: MEMORY, IDENTITY AND COLONIAL LEGACIES 247 (Kalypso Nicolaïdis, Berny Sèbe & Gabrielle Maas eds., 2014).

[10] See Giulia Meloni & Johan Swinnen, *The Rise and Fall of the World's Largest Wine Exporter (and its Institutional Legacy)* (Am. Ass'n of Wine Economists, Working Paper No. 134, 2013).

[11] See David N. Margolis, Egidio Luis Miotti, El Mouhoub Mouhoud & Joel Oudinet, *To Have and Have Not: Migration, Remittances, Poverty and Inequality in Algeria* (IZA Discussion Paper No. 7747, 2013); Vivienne Walt, *With Limited Freedoms, Many Algerians Vote with Their Feet*, TIME, Feb. 18, 2013.

[12] *Algeria Economy Profile 2013*, INDEX MUNDI (Aug. 23, 2014), http://www.indexmundi.com/algeria/economy_profile.html.

[13] On the Algerian violence of the 1990s, see LUIS MARTINEZ & JOHN ENTELIS, THE ALGERIAN CIVIL WAR (2000); see also Eleanor Beardsley, *Algeria's Black Decade Still Weighs Heavily*, NAT'L PUB. RADIO (Apr. 25, 2011), <http://www.wbur.org/npr/135376589/algerias-black-decade-still-weighs-heavily>.

[14] *Algeria's Oil and Gas: Not so Jolly*, ECONOMIST, Feb. 9, 2013, <http://www.economist.com/news/middle-east-and-africa/21571480-recent-events-and-wariness-foreign-investors-dent-oil-and-gas-economy-not>.

[15] See Lama Abu-Odeh, *On Law and the Transition to Market: The Case of Egypt*, 23 EMORY INT'L L. REV. 351 (2009) (discussing the interplay of market dynamics and *rentier* state politics in oil-rich economies).

[16] INDEX MUNDI, *supra* note 12.

[17] See *Algeria Overview*, WORLD BANK (Mar. 12, 2014), <http://www.worldbank.org/en/country/algeria/overview>.

[18] WORLD BANK GRP., DOING BUSINESS 2015, GOING BEYOND EFFICIENCY, ECONOMY PROFILE: ALGERIA (2015).

[19] See Omar T. Mohammedi, *International Trade and Investment in Algeria: An Overview*, 18 MICH. ST. J. INT'L L. 375, 386 (2010) (quoting Jean-Michel Meyer, *Investissement: l'Algérie impose sa loi*, JEUNE AFRIQUE, July 28, 2009).

[20] AFRICAN DEV. BANK GRP., PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA: DIALOGUE NOTE 2011-2012 2.4.9 (2011).

[21] Press Release, Christine Lagarde, Managing Director, IMF, Visit to Algeria (Mar. 13, 2013) (pleading for “a new awakening of the private sector” and “[s]tructural reforms to enhance the business climate”).

[22] See, e.g., AFRICAN DEV. BANK GRP., *supra* note 20.

[23] See, e.g., *Telecoms in Algeria: A Lost Generation*, ECONOMIST, Oct. 26, 2013.

[24] Cooperation Agreement between the European Economic Community and the People's Democratic Republic of Algeria, E.E.C.-Alg., Apr. 22, 1976, 1978 O.J. (L 263) 2 [hereinafter Cooperation Agreement].

[25] MARKUS HAHN, THE EURO-MEDITERRANEAN PARTNERSHIP: THE BARCELONA PROCESS SINCE 1995 (2009).

[26] The ENP was established in 2004 with the goal of spreading prosperity and stability in the EU's post-enlargement neighborhood. It was then differentiated into the Union for the Mediterranean (which in 2008 revived the Barcelona Process) and the Eastern Partnership (2009). See Richard G. Whitman & Stefan Wolff, *Much Ado about Nothing? The European Neighborhood Policy in Context*, in THE EUROPEAN NEIGHBORHOOD POLICY IN PERSPECTIVE: CONTEXT, IMPLEMENTATION AND IMPACT 3 (Richard G. Whitman & Stefan Wolff eds., 2010).

[27] Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States and the People's Democratic Republic of Algeria, E.E.C.-Alg., Apr. 22, 2002, 2005 O.J. (L 265) 2 [hereinafter Association Agreement].

[28] Regulation 232/2014, of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, 2001 O.J. (L 77) 27.

[29] See, e.g., Press Release, European Commission, New European Union Programme to Support Economic and Political Governance in Algeria (July 30, 2013) (outlining the “SPRING” programme – Support for Partnership, Reform and Inclusive Growth – intended to sustain the “economic and political governance in Algeria”); see also *Proposal for a Council Decision on the Conclusion of the Protocol to the Euro-Mediterranean Agreement Establishing an Association Between the European Communities and their Member States, of the One Part, and the Republic of Algeria, of the Other Part, on a Framework Agreement Between the European Union and the Republic of Algeria on the General Principles for the Participation of the Republic of Algeria in Union Programmes*, COM(2014) 384 final (June 27, 2014).

[30] See, e.g., Fawaz Yusuf, *A Structural Change Analysis of EU–Moroccan Trade Liberalisation and Economic Development Between 1995 and 2010*, 19 J. N. AFR. STUD. 413 (2014) (questioning, with specific regard to the Maghreb region, the EU’s ability to generate any real economic diversification and enhanced employment opportunities by means of free trade).

[31] Memorandum from Eur. Comm’n, ENP Package – Algeria (Mar. 27, 2014), http://europa.eu/rapid/press-release_MEMO-14-219_en.htm.

[32] Association Agreement, *supra* note 27, arts. 32, 39, 44.

[33] European External Action Service, *Implementation of the European Neighbourhood Policy in 2013, Regional Report: A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean Partners*, at 3 SWD (2014) 100 final (Mar. 27, 2014) (reporting delays in bilateral cooperation).

[34] See Nick Whitney and Anthony Dworkin, *A Power Audit of EU-North Africa Relations*, EUR. COUNCIL OF FOREIGN RELATIONS, at 45 (2012), http://www.ecfr.eu/page/-/ECFR62_NAPA_REPORT.pdf.

[35] See Federica Bicchì, *The Impact of the ENP on EU-North Africa Relations: The Good, the Bad and the Ugly*, in THE EUROPEAN NEIGHBORHOOD POLICY IN PERSPECTIVE: CONTEXT, IMPLEMENTATION AND IMPACTS *supra* note 26, at 206, 218; HAKIM DARBOUCHE, *ENERGISING EU-ALGERIAN RELATIONS*, 1 MAGHREB CENTER J. 1 (2010). FOR A GENERAL CRITIQUE OF THE ENP, SEE NATHALIE TOCCI, *THE NEIGHBOURHOOD POLICY IS DEAD. WHAT’S NEXT FOR EUROPEAN FOREIGN POLICY ALONG ITS ARC OF INSTABILITY?*, ISTITUTO AFFARI INTERNAZIONALI [IAI] (Nov. 16, 2014), AVAILABLE AT [HTTP://WWW.IAI.IT/SITES/DEFAULT/FILES/IAIWP1416.PDF](http://www.iai.it/sites/default/files/IAIWP1416.pdf).

[36] See Proposal for a Council Decision, *supra* note 29.

[37] Erwan Lannon, *Entry into Force of the New European Neighbourhood Policy and Negotiation of “Deep and Comprehensive” Free Trade Areas: A European Neighbourhood Policy Running at Different Speeds*, IEMED. MEDITERRANEAN Y.B. (2014), at 228.

[38] See generally Vicky Reynaert, *Explaining EU Aid Allocation in the Mediterranean: A Fuzzy-Set Qualitative Comparative Analysis*, 16 MEDITERRANEAN POL. 405 (2011).

[39] Whitman & Wolff, *supra* note 26, at 14.

[40] Abu-Odeh, *supra* note 15.

[41] Press Release, European Commission, President Barroso Visits Algeria and Signs a Memorandum on Energy (July 7, 2013).

[42] The “Desertec Industrial Initiative” project, which held much promise in 2005, envisaged large exports to Europe of solar energy gathered in Algerian deserted areas, with heavy European investment in solar technology. *Desertec Abandons Sahara Solar Power Export Dream*, EURACTIV, May 31, 2013, <http://www.euractiv.com/energy/desertec-abandons-sahara-solar-p-news-528151>.

[43] Eur. Comm’n, Directorate General for Trade, *Countries and Regions: Algeria* (Sept. 4, 2014), <http://ec.europa.eu/trade/policy/countries-and-regions/countries/algeria/>.

[44] Theoretical underpinnings for the EU’s liberal trade aspirations were articulated by, among others, Béla A. Balassa, *The Importance of Trade for Developing Countries*, in NEW DIRECTIONS IN THE WORLD ECONOMY 3 (Béla A. Balassa ed., 1989).

[45] ALBERT CAMUS, ALGERIAN CHRONICLES (Arthur Goldhammer trans., Belknap Press 2013) (1958). Camus’s federalist vision for Algeria has been harshly criticized as offensive and politically insensitive to the quest for independence of the Algerian people. See, e.g., AÏCHA KASSOUL & MOHAMED LAKHDAR MAOUGAL, THE ALGERIAN DESTINY OF ALBERT CAMUS 161 (2006) (defining Camus’s federalism as “manipulative and mad”).

[46] Most notably with Altiero Spinelli, author of the Ventotene Manifesto and himself a committed Europeanist. See Bertrand Vayssière, *Les origines italiennes du fédéralisme européen pendant la Seconde Guerre mondiale*, 8 J. EUR. INTEGRATION 37 (2002).

[47] In 1944 Camus co-authored the Lyon Déclaration du Comité français pour la fédération européenne (CFFE), which read in part : “Il est impossible de reconstruire une Europe prospère, démocratique et pacifique, sous la forme d’un assemblage d’États souverains, séparés par leurs frontières politiques et douanières. . . .” 1 CAHIER DE LA FÉDÉRATION EUROPÉENNE (CFFE) 25, 25-27 (1945) (emphasis added). See also GRÉGOIRE ELDIN, L’EUROPE DE ROBERT SCHUMAN 11 (2001). In March 1945, Camus participated (along with Spinelli) in the first conference of the European Federalist Movement in Paris. See ERNESTO ROSSI, ALTIERO SPINELLI & PIERO S. GRAGLIA, “EMPIRICO” E “PANTAGRUEL”: PER UN EUROPA DIVERSA: CARTEGGIO 1943-1945 72 (Piero S. Graglia ed., 2012).

[48] KASSOUL & LAKHDAR MAOUGAL, *supra* note 45, at 161.

[49] See CAMUS, *supra* note 45, at 73.

[50] Treaty Establishing the European Economic Community art. 227(2), Mar. 25, 1957, 298 U.N.T.S. 11. “With regard to Algeria and the French overseas departments, the general and particular provisions of this Treaty relating to:

- the free movement of goods;
- agriculture, [save for] Article 40(4);

[...]

- the institutions,

shall apply as from the date of the entry into force of this Treaty.”

[51] Nicolaïdis, *supra* note 9.

[52] One such person was Mr. Belbouab, whose German pension was endangered by his de jure loss of French nationality. Case 10/78, *Belbouab v. Bundesknappschaft* 1978 E.C.R. 1915.

[53] Camus, born in Algeria to a French wine-cellar worker, must have been aware of the fact that Algeria’s economy was heavily dependent on wine exports, and there was nothing more iconic to the project of European integration than trade in wine and liquor. The fortunes of Algeria’s wine industry would have certainly been within the range of his inquiry. OLIVIER TODD, *ALBERT CAMUS: A LIFE* 3 (1997).

[54] Meloni & Swinnen, *supra* note 10.

[55] *Id.*

[56] Davis, *supra* note 8.

[57] Issam Nedjah, *Les Relations Euro-Algériennes de la Coopération au Partenariat*, 10 DOMITIA 149, 150 (2008).

[58] *See id.* at 151.

[59] Davis, *supra* note 8.

[60] Council Regulation 816/70, art. 26, 1970 O.J. (L 99) 1. *See* JEFFREY A. MUNSIE, *A BRIEF HISTORY OF THE INTERNATIONAL REGULATION OF WINE PRODUCTION* (2002), *available at* <http://dash.harvard.edu/bitstream/handle/1/8944668/Munsie.pdf?sequence=1>.

[61] *See* European Inst. for Research on Mediterranean and Euro-Arab Cooperation [MEDEA], *EU-Algeria Relations*, <http://www.medeabe/en/countries/algeria/eu-algeria-relations/> (last visited on Feb. 9, 2015).

[62] It appears that Algerian food exports, including cereal, had doubled between 1976 and 1986, but then contracted again. *See id.*

[63] *Algeria Resumes its WTO Membership Negotiations*, WORLD TRADE ORG. [WTO] (Apr. 5, 2013), http://www.wto.org/english/news_e/news13_e/acc_dza_05apr13_e.htm.

[64] *Supra* note 43.

[65] Association Agreement, *supra* note 27.

[66] *Id.* at art. 9 (“Products originating in Algeria shall be imported into the Community free of customs duties and charges having equivalent effect.”)

[67] Algeria does not meet the vulnerability criteria that let other countries receive more favorable treatment (GSP+). Regulation (EU) No 978/2012 of the European Parliament and of the Council establishes eligibility criteria for special incentive arrangement for sustainable development and good governance (GSP+). *See* Council Regulation 978/2012, 2012 O.J. (L 303) 1.

[68] Eur. Comm’n, Directorate General for Trade, *Algeria: EU Bilateral Trade and Trade with the World* (July 5, 2013) [hereinafter DG Trade: Algeria], available at http://ec.europa.eu/atwork/synthesis/amp/doc/trade_mp_en.pdf.

[69] *See* Mohamed Y. Haddoud, Keith Salmon, Paul Jones & Robert Newbery, *The Impact of Regional Trade Agreements on North African Countries’ Foreign Trade and Economic Welfare, Evidence from Algeria and the European Union Association Agreement*, REGIONAL STUDIES, www.regionalstudies.org/uploads/HADDOUD_RSA_FINAL_COPY.pdf (last visited Feb. 6, 2015) (“[T]rade creation occurred mainly in imports rather than exports. . . . [A]lthough the regional membership may create trade for North African countries, it may not be sufficient to overcome export issues[.]”)

[70] The value of imports of mineral products went from 20,080 million Euros in 2008 to 31,968 million Euros in 2012. DG Trade: Algeria, *supra* note 68.

[71] *Algeria*, ENCYCLOPEDIA OF THE NATIONS, <http://www.nationsencyclopedia.com/economies/Africa/Algeria.html> (last visited Aug. 24, 2014) [hereinafter Encyclopedia].

[72] The value of Algerian textiles exported to the EU, expressed in millions of Euros, was one in 2008-2009 and has been zero since 2012. DG Trade: Algeria, *supra* note 68.

[73] ENCYCLOPEDIA, *supra* note 71.

[74] *Id.*

[75] Ulrika Lomas, *Algeria Delays Implementation of FTA with EU*, TAXNEWS, Sept. 4, 2012, <http://www.bilaterals.org/?algeria-delays-implementation-of#sthash.0zUcmgKh.dpuf> (reporting that, according to Algerian trade minister Mustapha Benbada, “the existing association agreement with the EU cost Algeria USD2.5m in lost customs duties between 2005 and 2009, while investments from the EU have not been as strong as initially anticipated. At the same time, Algerian imports from the EU have increased dramatically”)

[76] *See id.*

[77] *See, e.g.*, RESILIENT LIBERALISM IN EUROPE’S POLITICAL ECONOMY (Vivien A. Schmidt & Mark Thatcher eds., 2013).