ALGERIA THREE YEARS AFTER THE ARAB SPRING

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Cover photo: An exploration oil well surrounded by portable housing units and equipment in Algeria. © Zview
Algeria is an important regional power for the United States and Europe in North Africa. Not only is Algeria the EU’s third largest energy provider, with a value of €26.8 billion,1 but with a population of 38 million, it is also the region’s biggest economy. Its gross domestic product is $208 billion.2 The country is investing intensively in the security sector, so its intelligence service and armed forces — the largest in the region, at about 130,000 soldiers — have strong counter-terrorism capabilities.3 Algeria has also sought to boost regional capabilities to fight terrorism, for example through the creation of the Joint Operational General Staff Committee (CEMOC) established together with Mali, Mauritania, and Niger in 2010. Due to its military and economic weight, Algeria has been able to pursue a more independent foreign policy than other countries in North Africa, as was evidenced in its reluctant negotiations with the European Union (EU) on an association agreement (in force since 2005) and on an action plan in the framework of the European Neighborhood Policy (ENP) (negotiations since 2012).

Its security, economic, and political weight notwithstanding, Algeria was largely ignored by international media and diplomacy when the Arab Spring started. Tunisia, Egypt, and Libya were perceived as the harbingers of a wave of democratic transition in the Arab world. While Algeria also initially witnessed the eruption of protests, the government showed relative restraint and immediately announced state subsidies. Protests soon died down. However, as Frederic Volpi has pointed out, the fact that the Algerian regime “survived this wave of revolts does not mean that it is strong or stable in the full sense, but only that it was not vulnerable to the particular forms of mobilization that marked those uprisings.”4 Indeed, the Algerian polity seems more than troubled in political, as well as socio-economic terms. Youth unemployment stands at 21.5 percent;5 public sector spending has increased by 25 percent since 2011, which has to be supported by continuously rising oil and gas prices, the level of corruption remains high;6 and the question of the succession of ailing President Abdelaziz Bouteflika has only been postponed for now.

At the same time, with the tides of the Arab Spring shifting, the importance of Algeria for regional security has come to the forefront once more. For both the United States and Europe, the perception of the Arab Spring has increasingly turned from a benign democratic transition to a security question, involving increased migration to Europe, the security vacuum in Libya and the broader Sahel region, the proliferation of extremist groups, and a wave of terror attacks such as the Benghazi attack on the American ambassador and the attack on the In Amenas gas facility in Algeria. In the run-up to and during the French intervention in Mali, Algeria emerged as a crucial link.

In light of these dynamics, it is unfortunate that the academic and policy literature has tended to neglect Algeria since the Arab uprisings began. This

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6 Its score on the 2013 Corruption Perceptions Index of Transparency International is 36, where 0 means highly corrupt and 100 very clean: http://www.transparency.org/country#DZA.
paper seeks to counter this trend and focuses on the regional heavyweight with two contributions: one on domestic socio-economic dynamics by Susi Dennison and another on regional security dynamics by James Le Sueur.

In "Algeria after the Arab Spring: Vindicated Model or Regime on the Rocks?," Susi Dennison argues that despite relatively comfortable annual growth rates, Algeria’s economy is not as safe as it seems. Not only is it heavily reliant on its hydrocarbon sector, but its approach toward the gas sector is short-termist and makes it increasingly difficult for Algeria to meet export requirements or the growing domestic demand for hydrocarbons. Despite emerging cracks in Algeria’s hydrocarbon industry, Algeria has not taken real steps to diversify its economy, encourage growth in new sectors, or fight corruption in the country. Dennison argues that Europe’s bet on the relative calm of one of its most important energy providers may prove to be misguided. In light of Algeria’s crucial role for security in the region, Europe now has to choose between carrying on business as usual with Algeria or urging the country to undertake structural changes in the face of domestic socio-economic and political challenges. Dennison concludes by arguing that the EU should exercise its influence in Algeria more confidently, especially as the United States is increasingly seeking to limit its engagement in the region to a few core objectives.

The second contribution to this study, “Algeria, the Arab Spring, and the Specter of Jihad” by James Le Sueur, focuses on security dynamics in North Africa since the Arab uprisings, Algeria’s security strategy, and its larger regional security role. Le Sueur argues that as the euphoria of the Arab Spring has gone into remission, al Qaeda affiliated groups have found a second wind. Various radical movements have now fully entered the voids created by frail and failing states. The In Amenas and Benghazi attacks, as well as the seizure of northern Mali must be read as important indicators of radical Islam’s ever-changing frontlines and evidence that a new phase of the “war on terror” is evolving in the Sahel, which could become the next Afghanistan. In this second phase, radical Islamists are targeting the so-called near enemy, that is national governments and/or the secularized military juntas. In contrast to the role that Algeria played during anticolonialism and decolonization, it is now hesitant to take on the role of regional leader. It cooperates with Europe and transatlantic partners on matters of national and global security, but it has so far resisted the impulse to entangle itself in regional conflicts.
Algeria Three Years After the Arab Spring

Susi Dennison

Introduction

After the dramatic last three years in the Arab world, characterized by protest, revolution, and civil war, the military takeover in Egypt in 2013 appears to herald the beginning of a second, much slower phase of change in the region. This period is likely to see frequent changes in the fortunes of governments — democratically elected and otherwise — as they grapple with the long-term socio-economic challenges that contributed to the wave of protest in 2011 and still beset the region.

Against this context, the fortunes of Algeria merit further study. In terms of its political structure, Algeria is the North African country to have undergone the least change in the past few years. Its autocratic regime, headed since 1999 by Abdelaziz Bouteflika, carefully balances the interests of leaders of the military and security services, business elites and the executive. Controls on political parties and the media prevent any real progress toward pluralism, and corruption remains prevalent in all aspects of public life. Constitutional reform — promised by Bouteflika in 2011 to “strengthen democracy” in response to fear about the revolutions reverberating around him in neighboring countries — shows no evidence of materializing. As presidential elections, predicted to be held in April 2014, approach, Bouteflika has announced he will stand again, making it highly unlikely that the elections themselves will bring change.

Algeria’s fragile political stability, on which the EU continues to bet, is balanced on three pillars: a rentier state that is predicated on a continued steady income from the sale of hydrocarbons, a critical role as a regional security actor, and widespread fear in Algerian society of repeating the horrors of the internal armed conflict in the 1990s. While the third of these pillars is a constant, the first two at least have been shaken in recent years by national and regional developments, shifting the basic dynamics of the EU-Algeria relationship in subtle but important ways, which are explored in this paper.

The Algerian Economy: Heavy Reliance on a Troubled Hydrocarbon Sector

In 2011, a cursory look at Algeria’s socio-economic indicators begged the question of why protests were not taking off there on the same scale as in neighboring Tunisia, Libya, and in Egypt. Around 23 percent of the population lived below the poverty line, the country’s overall unemployment rate hovered at around 10 percent (with youth unemployment at 21 percent or higher), and the country was highly dependent on an inflated public sector. This picture remains pretty much unchanged in 2013. One of the immediate reasons why demonstrations in the streets of Algiers in 2011 did not pose a real threat to the regime was that unlike in some of its neighbors, Algeria’s government had the resources to buy social peace. The government approved a revised national budget in February 2011, which increased public spending for the rest of the year by 25 percent, covering more social housing and increasing public sector salaries, soft loan facilities for the youth, and basic commodity subsidies. This, combined with a number of gestures such as a lifting — albeit in effect temporarily — the state of emergency and promising political reforms that never came, proved sufficient for the collective memory of the nationwide trauma of the decade long conflict in the 1990s to win out over the demand for change, and for protests to die down.

Despite annual growth rates hovering around 2.5 percent in recent years, this relative comfort for the Algerian government is not as secure as it might initially appear. Algeria is heavily reliant on its

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hydrocarbon sector, which makes up around 97 percent of its exports. In 2012, 70 percent of total budget receipts came from the sale of oil and gas. Analysis of the government’s management of the Algerian hydrocarbon sector found it hard to identify a long-term strategy, but in his paper “Algeria’s Shifting Gas Export Strategy: Between Policy and Market Constraints,” Hakim Darbouche argues that a number of the problems that currently exist can be traced back to decisions taken between 1999 and 2011 when Chakib Khelil was responsible for gas export policy. As energy minister, his ambition was to increase Algeria’s export of natural gas to 100 billion cubic meters (BCM) by 2013 (from around 60 BCM at the beginning of the period). As a result, he focused on building up Algeria’s portfolio and capacity in its main markets: Spain, Italy, France, the U.K., Portugal, and the United States.

The recession triggered by the 2008 financial crisis meant that demand fell in a number of export markets, including the EU. Although this has started to pick up again — partly in response to a cold winter in Europe in 2012/13 — the Algerian government has expressed interest in exploring new markets. Coming relatively late to the game, it is considering expanding sales in Asia (where the sale price of LNG (liquefied natural gas) is around 24 percent higher than in Europe), South America, and elsewhere. It will face competition from Qatar and other energy suppliers who have invested earlier and are relatively established in these markets. Algeria also continues to place importance on firming up ties with European markets, as attested to by a new framework for energy cooperation signed with the European Commission in July 2013.

However, the same effort has not been put into increasing Algeria’s oil and gas supply as has been put into courting demand. An attempt in 2006 to reform the Algerian energy sector with a new hydrocarbon law allowing foreign companies to compete for production contracts on a level playing field with Sonatrach (the government-owned company responsible for managing the hydrocarbon industry in Algeria) met with fierce resistance both from within the Algerian energy industry and from the political class more generally. The proposed legislation was eventually dropped. As Darbouche argues, the pressure on Algeria to generate additional revenue through gas exports had fallen away at this point because of higher international oil prices, allowing the country to pay off almost all of its external debt. As a result, a short-termist approach to the gas sector became entrenched, and Algeria increasingly faced difficulties in meeting export requirements or growing domestic demand for hydrocarbons.

From 2005 to 2012, Algerian oil production fell by 16 percent and gas production fell by 7.6 percent. Only one new gas field, at Menzel Ledjmet East,

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is planned to be brought on-stream in 2014. By 2018-20, three more are planned but whether these plans will materialize depends on a number of factors, including Sonatrach’s ability to oversee the process, and foreign investor interest in building the infrastructure.

Despite Algeria’s significant untapped hydrocarbon resources, foreign investor interest is not a given. The hostage-taking at the In Amenas gas plant on January 16, 2013, in which at least 38 foreign workers died, has undoubtedly shaken the confidence of foreign oil companies in their security to operate in Algeria. While Statoil has published an internal enquiry into its own security standards following the attack, it, along with BP who co-led the joint venture at the plant, have questioned the Algerian army’s ability to guarantee the security of foreign firms operating in the country. They argue: “Neither Statoil nor the joint venture could have prevented the attack, but there is reason to question the extent of their reliance on Algerian military protection.” Concerns emerging from this incident may have repercussions for the willingness of other companies to start up new operations or expand their work in the country.

Uncertainty around Algeria’s political future before the 2014 elections also adds to investor concern about Algeria, not only because of lack of clarity on whether Bouteflika will be able to serve for another term and, if not, who will replace him, but also because Sonatrach itself has become the target of heightened investigation, some argue as part of political positioning by General Mohamed Mediene, head of the Algerian Intelligence services, in view of the forthcoming elections. Chakib Khelil, the energy minister during the 2000s, is the subject of an international arrest warrant, as part of the larger Sonatrach II case, for corruption linked to contracts between Italian energy company ENI and Sonatrach. Given that foreign businesses operating in Algeria already face a stifling regulatory environment, and have considerable barriers to navigate, including endemic corruption, these latest developments in relation to the organization responsible for overseeing the hydrocarbon sector will not be encouraging for potential new investors.

So despite significant hydrocarbon resources, Algeria’s almost total reliance on its energy sector no longer appears to constitute a viable long-term plan. Cracks are beginning to show in an industry that has long been viewed as one of the most stable in the Middle East, and the lack of strategic planning in terms of supply, demand, and security of the sector is gradually being laid bare. While Algeria has long been aware of the need to diversify its economy, and encourage growth in new sectors, it has not so far taken real steps to tackle the major barriers to doing business — including corruption, red tape, and access to financing. In 2013, Algeria was ranked at just 100th out of 148 in the World Economic Forum’s Global Competitiveness Index. This also has implications for Algeria’s political stability. Part of the “rentier state bargain” is a tacit understanding on the part of Algeria’s population that while they accept a wide range of controls on their personal and political freedoms, the government will at least manage the country’s natural resources wisely. If ongoing socio economic concerns continue to manifest themselves in protest, it is unclear if the Algerian government will always be able to buy them off, and concern about Algeria’s long term future is likely to grow. At this point, Europe’s bet on the relative calm of North

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Africa’s largest country may prove to have been misguided.

**Algeria’s Security Role: By Default the Most Reliable Regional Partner for the EU?**

The second pillar of the EU’s relationship with Algeria is its role as a security actor in its region. Algeria’s confidence in this position has gone through mixed fortunes since the Arab Spring. As 2011 progressed, Algiers felt increasingly vulnerable. With Islamist-dominated governments in power in three of its neighboring countries, the Algerian government’s worst fears about the rise of political Islam, rooted deeply in its internal armed conflict in the 1990s, appeared to be coming to life. In an effort to shore up the support it received from the West as a regional security actor, Algeria invested in its reputation for handling terrorism in North Africa and the Sahel. It became a founding member of the Global Counterterrorism Forum launched by the United States and Turkey in September 2011. With Canada, it co-chairs the group on capacity building in the Sahel. It also started to invest more in its relationship with the EU. In May 2012, the EU was for the first time invited to deploy a mission in Algeria to observe the legislative elections. Co-operation at a technical level also expanded considerably, with Algeria becoming the biggest single user of the EU’s twinning instrument, offering support and training for the development of different sectors in Algeria from national experts in EU member states. After years of procrastination since the start of the EU-Algeria Association Agreement in 2005, Algeria began negotiations on an Action Plan on domestic reform under the EU’s new Neighborhood Policy (ENP). Although these were all small steps, with a focus on process to begin with, they were promising signs that Algeria was taking the EU more seriously. It seemed, albeit temporarily, that one of the goals of the new neighborhood policy — strengthened relationships to enable investment linked to genuine political reform — might be achievable with Algeria.

But as the regional picture changed in 2012 — with the security situation in Libya going from bad to worse; political assassinations in Tunisia calling into question how long democracy would hold there; and concern rising among Western powers about the direction of Mohamed Morsi’s government in Egypt — Algeria’s confidence began to bounce back. As 2012 came to a close, with the French intervention in Mali on the cards, Algeria’s security reputation was once more in ascendancy. Thanks to Algeria’s experienced armed forces and arguably the best understanding of the terrorist networks that operate across the Sahel region and beyond, its co-operation became a critical part of the successful French intervention.

Algeria remained very nervous in the run up to and throughout the French-led operation in Mali about the potential spillover of the conflict into the country. Thousands of refugees flooded over Algeria’s southern border, and Algiers was very concerned about Ansar Dine’s activity spreading into the country too, given their strong links to terrorist networks in Algeria. In addition, Algiers was very reluctant to see Western intervention, particularly that of an ex-colonial power, in what was essentially their backyard. They actively facilitated and hosted negotiations between the Malian government and Ansar Dine in the final months of 2012, hoping to avoid this eventuality. Nevertheless, following French and U.S. efforts to court Algerian support, including François Hollande’s state visit to Algiers in December 2012 and Hillary Clinton’s visit in October 2012, Algeria did agree to allow drones and other aircraft to fly out of its airspace into Mali. When the attack on

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In Amenas took place in January 2013, the Signed in Blood Battalion expressly made the link to this decision in its statement on the motivation for the attack. However, Algeria’s decision to give limited support to the French-led intervention had at least put it in a position where Western powers were once more unlikely to ask difficult questions about why Algiers was shunning the impulse for political reform that was reshaping the countries around it, as long as it was willing to continue in its role as a dependable intelligence and security ally.

This position has only been further cemented as the events unfolded in Egypt in the summer of 2013. With the military takeover, and increasing concern about the direction in which General Abdel Fattah el-Sisi’s government is taking the country, the relative quiet and stability of Algeria’s domestic situation has once more come into its own in terms of the EU’s perception of it as a partner. Against this backdrop, it seems very unlikely that the EU will take a stance on the lack of progress toward pluralism demonstrated in the run-up to the Algerian presidential elections in 2014. Anything other than a very clear demonstration of backsliding is likely to slip by with little European comment, given turbulence elsewhere in the region.

**Prospects for the EU-Algeria Relationship Going Forward**

On the surface, Algeria now appears to be settling back into its pre-Arab Spring role vis-à-vis Europe, that of an indispensable ally in the security and energy sectors, with a political situation that, while far from perfect, presents few day-to-day problems for European powers.

European governments now face an unpalatable choice: 1) either to carry on with business as usual with Algeria, on the grounds that they have bigger problems in the region to grapple with, or 2) to acknowledge that alarm bells are ringing there too, and that a little investment now in support of a number of structural changes is more likely to guarantee that they will still have the energy and security partner that they want in five or ten years’ time. The reform priorities in Algeria should be to take steps toward greater government accountability and transparency, not only through moves toward genuinely competitive elections, but also in terms of the management of the hydrocarbon sector and the wider economy.

Ultimately, the EU’s decision on its approach to Algeria needs to be put back into the wider regional context, and to form part of a broader rethink around ENP. What is clear from the vacillations in the EU-Algerian relationship since 2011 is that the ENP principle of supporting gradual political reform over the long term is very hard to apply to a partner like Algeria, where a lot of the weight in the relationship lies on the southern side of the Mediterranean. Algeria’s roles as energy supplier and security actor will remain necessary to the EU, and are likely to render any attempts by the EU to apply conditionality pretty meaningless. This is particularly true in an environment where the EU’s incoherent response to the 2013 Egyptian military coup and events after it have left an open question for others in the region as to how seriously the EU really takes its commitment to press partners in the neighborhood to follow a genuine path to reform.

In the case of Algeria, the EU needs a strategy for a business-like relationship that, while accepting the transactional component of EU—Algeria ties as its centerpiece, does not depend on the EU taking a step back from supporting its values. This business-like approach will require European leaders to be realistic about energy and security still being their top priorities in contacts with
the Algerian elites, but not to publicly welcome progress on political reform where it is non-existent.

As evidenced by their negotiations with the Algerian government on intelligence and airspace co-operation in the run-up to the French-led intervention in Mali in early 2013, the United States operated with confidence that it held clear leverage over Algiers, even though it is an energy client. The EU, too, should have confidence that its relationship with Algiers need not only be one way, especially in an environment where the United States is increasingly keen to limit its engagement in the Middle East to a few core objectives, focus its strategic attention further east, and become more self-sufficient in energy terms. One of the potential effects of this U.S. “pivot” to Asia is an opening for the EU to exercise more influence with key actors in the MENA region as a central player with less competition than has been the case up until now.

Algeria in particular, with the government’s problematic management of its energy exports, is in need of European states as ongoing energy clients. Furthermore, its increased engagement with the EU since the Arab Spring has shown that it is not as secure in its immediate environment as Europe might once have assumed. The EU should not ignore these signals and should prepare to respond accordingly in the run-up to the 2014 presidential elections, publicly recognizing the reality of the political environment in the country, and continuing to support civil society in Algeria.

In the long term, Algeria is unlikely to be an exception to the rule that a transition to greater openness and accountability brings more political and economic stability. But as for other partners in the region, the road to getting there will not be straightforward.

Algeria’s January 2013 hostage crisis at the In Amenas gas plant in the remote southeast part of the Sahara near the Libyan border captured world attention. In so doing, it once again raised the specter of jihad in a country that had spent the better part of the 1990s locked in a violent and protracted civil war. The attack on this hitherto impregnable and heavily fortified facility, a joint energy venture run by Sonatrach (Algerian), BP (U.K.), and Statoil (Norwegian), also highlighted the decentralized, multidimensional but murky jihadi threat, illustrated stunning incompetence by Algerian state managers trying to control the international media, and, in the end, once again revealed the determination of the Algerian military not to negotiate with terrorists at any cost. As the hostage crisis continued over the course of three days, Algerian authorities grew increasingly uncomfortable with the scrutiny of the international media and foreign governments demanding answers about the conditions and safety of the hostages.

For their part, the sordid collection of al Qaeda affiliated terrorists who seized the plant also represented an equally important multinationalism, even including two Canadians from Ontario. According to officials and the majority of media accounts, the terrorists were commanded off-site by Moktar Belmoktar, an Algerian militant Islamist known for cigarette smuggling (hence his media nickname, Mr. Marlboro) and for kidnapping. The one-eyed Belmoktar had been hardened by his al Qaeda training in Afghanistan during the Soviet occupation and by the extreme violence of the Algerian civil war. He had only just formed a splinter al Qaeda group, The Signers in Blood, after he fell out of favor with AQIM (al Qaeda in the Islamic Maghrib) in December 2012. One of the terrorists’ stated goals was an exchange of foreign hostages at the In Amenas plant for radical Islamists who had been captured in recent months in fighting in Northern Mali. Another goal was to blow up the plant, but the gas lines were shut down before the terrorists could capture the critical areas. The principal motivation for this dramatic attack, as announced by Moktar Belmoktar, was retaliation for the Algerian government’s decision a week before to allow the French military to use Algeria’s airspace when the French began military operations against the radical Islamists in Northern Mali. Unwilling to negotiate, the Algerian military brought in helicopter gunships and, according to captive survivors, indiscriminately killed hostages and terrorists alike. In the end, at least 38 hostages (of approximately 800) from ten countries were killed, while 29 terrorists were counted dead. Three terrorists were captured alive. After the attack, the United States posted a $5 million reward for information leading to Moktar Belmoktar’s capture.

This particular attack is important for two reasons. First, it was carried out against one of the crown jewels of Algeria’s economic development: a major gas plant that was isolated and extremely well-guarded with approximately 150 gendarmes on site. This and other oil and gas installations were considered to be the safest areas, perhaps the only truly safe ones, and therefore economic oases. In the 1990s, Algerian citizens complained vehemently about the insecurity and the daily massacres in other parts of the country while the oil and gas sectors were havens of security. It is, perhaps, important to state that an estimated 200,000 Algerians were murdered during that decade. By contrast, the oil and gas fields continued to produce record profits. For example, in 2000 Algeria recorded a $20 billion profit from its hydrocarbon exports after it made considerable investments into the oil and gas sectors during the
The fact that terrorists carried out a staggeringly massive operation in one of the most sacred and protected compounds represents a real threat to Algeria’s grand strategy and therefore to regime security itself. This is because the stability of President Abdelaziz Bouteflika’s government depends solely on this significant but only export: hydrocarbon energy.

Second, like the United States, Algeria had been trying to avoid involvement in the conflict in Mali because, having experienced a period of relative calm during the past several years, the government did not want to provide Islamic militants with a justification to attack Algeria. As a result, Algerian leaders had been adamant in their refusal to engage in a military assault on the radical Islamists who controlled northern Mali. However, when the government allowed the French military authority to overfly its territory, it indirectly involved itself in the conflict.

The current outburst of jihadi activism has its own recent history. In fact, the spectacular January 2013 attack at the In Amenas plant was the worst since 2007. In 2007, al Qaeda in the Islamic Maghrib (AQIM) terrorists brought fear to the Algerian capital when two sets of twin suicide bombings rocked Algiers, first in April, when bombs destroyed the prime minister’s office and a police station, and then in December, with simultaneous suicide car bombs, leveling a UN building, which killed dozens of UN employees, and hitting near the Supreme Constitutional Court. Coming as it did one week after the French began military operations in Northern Mali, the In Amenas attack brought to the fore the impact of regional post-Arab Spring developments on Algeria, especially the effects of the rapid disintegration of Algeria’s neighboring states of Libya, Tunisia, and Mali. Taken in combination with other growing dangers, the In Amenas attack revealed Algeria’s difficulty in dealing with this alarming regional insecurity. Indeed, a large part of the problem Algeria faces today is that the In Amenas attack did not occur in a vacuum. This attack was but one in a series of moves made by radical Islamists during the past two years and is part of a changing strategy and escalating threat that this lawless and largely ungoverned Sahel region now poses to military states. In this way, of course, the January 2013 attack is embedded in the larger political transformations of North Africa that were set in motion in December 2010, when the Arab Spring began in Tunisia. This paper explores these evolving security dynamics, Algeria’s security strategy, and its hesitancy to play a larger regional security role.

Algeria and the Arab Uprisings

The combination of two contradictory political hazards — the resurgence of the radical Islamist movements affiliated with al Qaeda in North Africa, the Sahel, and elsewhere in Africa (as seen even more recently in the devastating attack on the shopping mall in Nairobi) and the reform movements in North Africa and the Middle East — factors directly into how the Algerian state relates to its neighbors and to Algerian citizens today. When the Arab Spring first began to overturn the postcolonial status quo that had produced very hardened and entrenched authoritarian regimes in Tunisia and Egypt, President Abdelaziz Bouteflika and Algerian authorities immediately set themselves in a defensive posture in order to crush any potential unrest. Subsequently, the evolution, progress, and setbacks of the Arab Spring throughout North Africa and the Middle East have increasingly kept the Algerian government in a

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defensive posture. Moreover, President Bouteflika has himself used both threats to the Algerian regime — regional militant Islam and neighboring calls for democratic reform — to his advantage and has, despite his ill-health and public grumblings, recently pledged to run for a fourth five-year term in the next presidential elections. (He took power in 1999.) In doing so, he continues to project himself as an indispensable political figure, as he has done for the past 14 years, and as the only one capable of protecting the rudder of the Algerian state as it navigates the shoals of these two diametrically opposed political forces, the turbulence of the Arab Spring on one hand and the resurgence of radical Islam on the other.

The logic Bouteflika employs in making his case is that these two forces (democratic reform and jihad) are interconnected. For this, the government points to a selective reading of its own recent history by insisting that radical Islam was indeed eminent in the agenda of political Islamists of the late 1980s and early 1990s in Algeria. This, of course, conveniently denies the Algerian military’s active role in radicalizing the election-minded political Islamist movement, because it is indisputable that the military junta crushed those pursuing the electoral pathway to power in 1991 and 1992. This repression was the overwhelming trigger that gave way to the rise of widespread but nationalistic Islamic terrorism thereafter, much of which was intended to restore, through active resistance, the results of the stolen pro-Islamist elections of 1990 and 1991. Had those election results been allowed to stand and had the final round of the national elections been held in 1992, Algerians would have peacefully installed the region’s first legitimately elected political Islamist party (The Islamic Salvation Front/FIS) in both local and national seats of power. A military coup d’état in January 1992 ensured this would never happen. Nevertheless, able to stay in power by sheer force throughout the 1990s, the military-backed leaders have effectively controlled the national narrative and been able to suppress and deflect a war-weary population’s meager calls for greater freedoms after the Arab Spring erupted in 2010.

In order to avert greater calls for reform, in February 2011 Bouteflika’s government announced that it would end the 19-year state of emergency decrees, or old martial law, which restricted freedoms such as the right to gather publicly without permission. However, despite this limited and largely symbolic concession, Bouteflika clarified that the government would continue to regulate if not ban public marches in order to avoid the fate of the Zine El Abidine Ben Ali and Hosni Mubarak regimes in Tunisia and Egypt, respectively. At the same time, the real center of power, the vast and all-powerful intelligence and security service known as the Département du renseignement et de la sécurité (DRS) and directed by the “eradicator” General Mohamed Mediène since the 1990s, remains the key to the state’s stability. (Mohamed Mediène, known also as “General Toufik” was trained by the KGB after Algerian independence and is widely considered the most powerful man in the country). Knowing that the public is skeptical about the possibility of any meaningful reform of the state as long as the DRS remains the real source of power in Algeria, Bouteflika vowed as recently as October 2013 to curb DRS powers as a major electoral promise of his 2014 campaign. For the moment, it remains unclear just how deep Bouteflika’s support is within the government and if there are any challengers capable of unseating him. It is clear that he intends to run and that those close to him in government consider his position as president to be a key component of regime security.

Meanwhile, the Algerian regime has not freed itself from the charge that it remains one of the most corrupt governments in the entire region. In fact, unable to shake this charge, the government...
announced that it would investigate its own internal corruption. There is a lot at stake. Algeria is currently the tenth largest producer of natural gas in the world and the third largest supplier of natural gas to Europe. It has an estimated $180 billion in reserves. Hydrocarbons account for roughly 97 percent of the nation’s earnings. However, in January 2012, the Italian government opened investigations into bribery scandals in which it has been alleged that the Italian company doing business in Algeria, ENI, paid over $250 million in bribes to Algerians in order to secure the €11 billion contract with Sonatrach. Coming as it did during the developments in the Arab Spring, the continued revelations of corruption within this context spurred the Algerian judicial system to announce its own investigation into these allegations of corruption (this investigation was called Sonatrach II). Already in 2010, several top officials, including the minister of energy, Chekib Khelil (who was president of OPEC from 2001 to 2008), were fired for allegations of corruption at Sonatrach (allegations involving hundreds of millions of dollars paid in bribes). Following the most recent allegations, in August 2013, Algeria issued arrest warrants for Khelil, his aide, and members of his family, but in mid-2013 he and his family moved to the United States to avoid extradition.

Phase II in the War on Terror
At the same time, al Qaeda-affiliated groups have found a second wind, despite the killing of Osama bin Laden in Abbottabad, Pakistan, in May 2011. For a brief time, it seemed as if al Qaeda were weakening, and, institutionally it may have been, as the United States continues to claim. During the first year of the Arab Spring, as the governments of Tunisia, Egypt, and Libya imploded, al Qaeda’s future seemed even more in doubt. Democratic activists had been able to do in a matter of weeks and months what the Salafist-oriented terrorist groups had been unable to do for decades: bring down a corrupt, military regime. However, while pro-democratic Islamist governments emerged victorious at the polls in Egypt and Tunisia, they failed to sideline the militaries, which have since returned with a vengeance, especially in Egypt. Consequently, the euphoria of the Arab Spring has gone into remission, while, at the same time, various radical movements have now entered the voids created by frail and failing states. These groups seek to destabilize the region and national governments. For this reason, the In Amenas gas plant attack, the killing of U.S. Ambassador Christopher Stevens and his colleagues in Benghazi on September 11, 2012, the al Qaeda affiliates’ seizure of Northern Mali, and then the French military intervention must be read as important indicators of radical Islam’s ever-changing frontlines and evidence that a new phase of the “war on terror” (what I call Phase II in the war on terror) is finally metastasizing in the Sahel, as the U.S. Department of Defense has been warning about for years. Meanwhile, Aymen al-Zawahri, al Qaeda’s current leader, stayed on message prior to the attack and promised that if France intervened in Mali, it would pay for its invasion in the same way that the United States did for its invasion of Afghanistan and Iraq. Even more broadly, the U.K. security services have been warning more specifically about Boko Haram in northern Nigeria, something that could precipitate a British military intervention parallel with the French one in Mali.

The great fear that the Sahel could become the next Afghanistan has been a topic of sustained planning and source of counter-terrorism funding and training now for almost a decade. (Recall the Trans-Sahara Counterterrorism Partnership and the debate over where to put AFRICOM during

20 See James D. Le Sueur, Between Democracy and Terror: Algeria since 1989, cit., especially the chapter on “The Future of Radical Islam,” for a more detailed analysis of the emerging Salah threat and the U.S. military’s tactical response to it.
the George W. Bush administration). But whereas before the Arab Spring, the U.S. Department of Defense had been working closely with the North African and Sahel partners, that close anti-terrorism cooperation has run aground. And now, three years on, the democratic gains of the Arab Spring are in doubt, while there has been a clear resurgence of radical (Sahafist) Islamist groups. Hence, rather than boosting North Africa’s stability, the high-minded euphoria of the Arab Spring has given way to pronounced spikes in high-profile al Qaeda-linked terrorist attacks and the return of military juntas.

Major tensions still exist throughout the region and the Middle East more generally. States like Egypt now run the risk of full scale civil war. Likewise, Tunisia is going through democratic growing pains, and its outcome remains uncertain. Morocco’s monarchy has so far out-danced democratic opposition groups and intelligently remained ahead of reformist movements by creating its own political and constitutional reforms. Syria remains in total chaos, though President Bashar al-Assad seems more likely to remain in power after he committed Syria to the Chemical Weapons Convention. Libya is a failed state, and its sudden collapse has had very specific consequences for its neighbors.

A pattern has begun to emerge. It points to a resurgence of militant Islamists and others seeking to take advantage of the political chaos gripping the region. The killing of Ambassador Stevens and three embassy staffers was preceded by several months with the re-emergence of the Tuareg separatist group known as the National Movement for the Liberation of Azawad in Northern Mali (MNLA). MNLA is a long-standing post-colonial movement that has been actively trying to secure autonomy for the Tuareg since Mali achieved independence in 1960. Tuaregs, many of whom were employed by Muammar Gaddafi, were able to capitalize on the weapons caches in Libya following Gaddafi’s downfall in October 2011. The focused, historic, and well-known MNLA aspirations of the Tuareg led an open revolt against the central government in Mali’s capital but were soon outflanked by two Salafists movements, Ansar Dine and AQIM, both of which flocked to Mali with even more weapons and a determination to erect a harsh brand of sharia law and to destroy the more inclusive, historic, and, according to the Salafists, “idolatrous” nature of Mali’s Sufi Islam. The Salafists (known for kidnapping, drug, and arms smuggling) quickly destroyed Mali’s historic mosques, museums, and art and terrorized the locals in key cities of northern Mali such as Timbuktu, Gao, and Kidal, where a far more tolerant version of Islam had been practiced for centuries. The sudden and violent ascendency of Salafist Islam in Northern Mali, represented by AQIM (which is now led by the Algerian Adbel Malek Droukdel) and Ansar Dine (led by Iyad Ag Ghaly), two different al Qaeda-affiliated movements with different sets of supporters and leaders, is what ultimately triggered the French decision to intervene militarily in January 2013.

All of these cases outline a clear tactical shift for al Qaeda and all other Salafi groups, which now hope to capitalize on the chaos and disenchantment of the Arab Spring as a way to start Phase II. In this phase, the perceived goal of radical Islamists is to once again target the so-called near enemy (national governments and/or the secularized military juntas). This new phase clearly outlines dangers for activists, governments, and even foreign powers trying to stabilize the region. Algeria as well as other governments in North Africa, such as the Egyptian military regime, are now trying to suppress both democratic activists and radical jihadists simultaneously. Their hope is that the suppression of democratic activists will not, as was the case with Algeria during the 1990s, trigger a
resurgence of jihadi forces united with a common goal of removing the military from power.

**Whither the Sahel? Algeria’s Regional Role**

The Sahel, some claim, could become the next Afghanistan, and this fear is indeed what triggered the French-led intervention. Understandably, the violence has led to widespread population displacement, with over 350,000 people fleeing their homes in Mali since 2012. Over 100,000 Malians fled into the desert of Mauritania, where they are stranded and remain in urgent need of relief. Hence, an even larger humanitarian crisis has followed the political crisis. Yet, despite all this and intense pressure from the Economic Community of West African States (ECOWAS) and the French, Algerian authorities avoided direct military intervention in Mali. The logic guiding Algeria’s non-intervention stance was based on the premise that Islamists in Northern Mali were not deemed a sufficient threat to Algeria’s security and on the claim that Mali’s national sovereignty should not be violated by another country. At the same time, Algeria’s military is by far the largest, best equipped, and best trained at counter-terrorism in the region, which means that its absence from the Malian conflict put increasing pressure on France (which led the calls in Europe for direct intervention).

However, with the entire region in play for the first time since fierce anticolonial movements swept the region decades ago, a serious reversal of the post-colonial status quo has begun. Where this will lead is entirely unclear. So far, the results have been complex. The entire region is engulfed in political chaos, with Algeria and Morocco the two glaring exceptions. Corrupt and powerful regimes have been swept away, though the militaries remain in place, despite efforts to limit their powers. For example, after Mohamed Morsi tried to sideline the generals in Egypt in 2012, the military overthrew him, banned the legitimately elected Muslim Brotherhood, and once again military rulers are provoking a radicalization of Islamist movements that can only get more violent as the military effaces the Muslim Brotherhood, other opposition groups, and civil liberties. Intentionally, perhaps, the entrenched Egyptian military is recycling the tactics of the Algerian military during the early 1990s.

This is to say that the past three years have been without question the most dynamic and also most turbulent in the past century. However, very much unlike the role it played during the era of anticolonialism and decolonization, Algeria ducks from the regional and international scene. This must be understood as unique in Algeria’s recent history, and, for the first time, it has willingly ceded its status as a regional leader. Going forward, therefore, Algerian observers continue to wonder how the fallout and instability coming from neighboring countries will affect the Algerian government. After believing it had emerged from the hardest fought and most violent of the struggle against its own jihadists during the 1990s, Bouteflika and the military had hoped to reap the benefits of peace. Now, a decade later, so far having avoided serious calls for reform during Arab Spring, the Algerian regime, with Bouteflika at the helm, sees these continued conflicts through a narrowing isolationist lens. Algeria’s desire to stay out of Mali and elsewhere originated from the fear that initiating military action against radical Islamists converging in Northern Mali would boomerang. Algeria’s fears about Mali were borne out. Bouteflika therefore has no interest in creating an opening for jihadists to re-engage in what might be called a long-civil war. In particular, as the country confronts the issue of Bouteflika’s succession, many wonder if calls for democratic reform can be avoided in this military-backed oligarchy. What is certain is that regional insecurity continues to affect Algeria in very specific ways. So far, it is also clear that the only real interest Algeria has in regional disputes is to regain the upper-hand
in the Western Sahara conflict and to limit, if not end, Morocco’s influence there. That said, it is also clear that Algeria’s political elite is today formed by a core group of survivors that has been hardened into an inflexible regime in which corruption remains a large problem. The In Amenas crisis and Algeria’s response to it was chaotic, secretive, and unapologetically uncompromising; the entire event was consistent with the logic of a decade-long civil war during which the military perfected its counter-terrorism strategy.

**Conclusion**

Algeria remains a relatively stagnant but elastic security state. Its officials, who mostly came of age during the generation of independence, are especially eager to preserve the current political status quo that favors elites with unique and special privileges. The state is moreover keen to preserve its sovereignty, to stay out of regional disputes (except for the Western Sahara issue), and to ensure its oil and gas productivity. At the same time, fearful of neocolonial impulses, the state remains wary of foreign investors who may wish to take advantage of its resources. Politically, Algeria has managed to weather the storm brought on by the Arab Spring through swift and deliberate police presence meant to suppress real calls for reform. The best evidence of its effectiveness in this regard was illustrated by Bouteflika’s rather unapologetic announcement that he will stand for an unprecedented fourth term in this year’s presidential campaign (which now seems like a throwback to the FLN dictatorship of the Boumediène years). Yet, the undercurrent clearly points to an open and public disenchantment with the status quo and with Algeria’s well-known and rampant culture of corruption. However, compounded with the fact that Algerians were fatigued by over a decade of extreme violence, the population remains ambivalent about progress and views reformers with a great deal of hesitation. In fact, the general population and the state seem to have found an equilibrium balanced between governmental corruption and the threat of a return to the civil war. In this context, it is hard to envision any significant changes of direction or any change coming from the current regime.

However, unlike the regional disequilibrium that is so prevalent today, Algeria itself remains a powerful, relatively wealthy, and secure state. With the exception of the In Amenas attack, its powerful state security and military apparatus has continued to operate an effective counter-terrorist strategy, one with a well-known history of questionable tactics. Algeria cooperates with Europe and transatlantic partners on matters of national and global security, but has so far resisted the impulse to entangle itself in regional conflicts. Moreover, during the past decade, the country has continued to work with other world partners in ambitious construction projects and in the field of natural gas and oil production and distribution. It looks not only to Europe and the United States for global partnerships but also to countries like India and China. In other words, Algeria sees a diverse market place for its exports and is very keen to keep events like the In Amenas attack from being repeated.