Prior to the disruptions that have swept the Middle East and North Africa since 2011, Algeria had achieved a comfortable balance between its internal and external strategic priorities. Now it faces the challenge of repositioning itself both within a region in flux and in relation to its main international alliances with France, the U.S. and -- as its main supplier of arms -- Russia.

On the plus side, Algeria has weathered the storms of regional change well since early 2011, even if this has come at the expense of looking increasingly out of sync with the rapidity and depth of change going on around it. Algeria’s immediate neighbors Tunisia and Libya now have new interim leaderships, and Morocco has outpaced Algeria in its constitutional reforms and plans for devolved government. Developments in Egypt, North Africa’s largest eastern neighbor, also preoccupy Algeria’s leaders as potentially heading in the wrong direction for their own strategic interests.

Over recent months, the Algerian regime’s caution in 2011 appears to have been vindicated, if unhappily so, by the fallout from the NATO-led Operation Unified Protector in Libya. Abruptly ended at the end of October 2011, the NATO mission rejected Libyan requests to stay longer to disarm rebels and control the flow of arms, with the result that the subsequent leakage of heavy and light weaponry and erstwhile African mercenaries from post-Gadhafi Libya has now had a direct impact on the already fragile situation in Mali, to Algeria’s south. The length of Algeria’s border with Mali, more than 650 miles long, and the porosity of borders throughout the Sahel region add to Algeria’s pre-existing concerns about the role of al-Qaida in the Islamic Maghreb (AQIM) among the forces contesting control over northern Mali. Itself originally an Algerian organization, AQIM has been building regional relations over the past decade, including among communities in southern Algeria, and has now spawned offshoots and alliances in the region of Mali that borders Algeria.

Algeria’s leaders have contained the risk of an immediate resurgence of Arab Spring-inspired domestic protests for now, but they are monitoring the spillover effects on southern Algerian communities linked to the insurgent forces in northern Mali. In the more densely populated north, Algeria’s relative internal stability owes much to its own recent past. Despite sharing many of the socio-political characteristics that triggered uprisings in Tunisia, Egypt and Libya in early 2011, Algeria’s 1990s experience of violent internal conflict verging on civil war has acted as an effective brake on the rise of an Arab Spring-inspired nationwide protest movement. Algeria’s descent into violence in the period 1992-2002, provoked in large part by the armed jihadist predecessors of AQIM, claimed as many as 200,000 victims, and even Algerian activists of the younger generation are conscious of the impact the conflict had on their immediate families and neighborhoods.

Algeria nevertheless witnessed levels of public protest in early 2011 comparable to those initially seen in neighboring Tunisia from late-2010. The immediate official response was to address the economic causes of popular discontent by restoring subsidies on the basic foodstuffs that were the
ostensible triggers for the protests. The ability of Algerian opposition groups to mobilize at the national level was subsequently curtailed by well-established internal security measures combining local intelligence with the deployment of well-trained security personnel on a scale that outnumbered the first protesters. Unlike their counterparts elsewhere, the Algerian security services also used limited force against protesters. Beyond arrests and detentions, there were no notable casualties of the kind captured on film and social media sites that provoked ever larger numbers of Tunisians and Egyptians to take to the streets in January-February 2011.

Into 2012, the Algerian authorities have maintained a tight control over domestic unrest, even though local and regional protests over deficiencies in social services, housing and youth employment, as well as sector-based strikes over pay and working conditions, continue on a sporadic, if persistent, basis. High levels of foreign reserves -- amounting to $182 billion at the end of 2011 -- already allocated to fund major public investment programs have also allowed the Algerian government to speed up and complete a number of infrastructure and public works projects. For instance, in the capital, Algiers, the recent completion of long-overdue housing projects and the opening of a subway and interlinked transport systems have alleviated a number of accumulating social and economic pressures.

On the downside, the Algerian regime has been alarmed by the democratic developments in Tunisia and even more so by the fragmentation of state control and the continuing turmoil in Libya. The ability of the Algerian leadership to manage the fallout from both is considerably harder to engineer with the advent of more and competing political forces in both countries. Allegations that Algeria was covertly supporting former Libyan leader Moammar Gadhafi throughout 2011 have not proved well-founded, but the approach of Algeria’s leaders last year could be characterized as that of preferring “the devil you know,” given their familiarity with the “predictable unpredictability” of Gadhafi’s local and regional politics for more than 40 years.

Equally on the downside, a succession crisis looms in Algeria itself in coming years, which risks acting as a catalyst for re-opening Algeria’s constrained political debates and as an impetus for more radical change. Algeria continues to be ruled by a highly centralized political system, in which all major decisions are taken by a relatively limited cabal of senior military and intelligence officials, collectively referred to in Algeria as “le pouvoir” (literally, “the power” in French). Based on a presidential system with a subsidiary national assembly -- and a multiparty system in place only since the 1990s -- the main competition for control of the Algerian state has arisen from attempts by President Abdelaziz Bouteflika over the past decade to wrest some powers away from the pervasive dominance of Algeria’s military and security establishment.

Although details of policy and its implementation have been increasingly devolved to the presidency and civilian government, the limits to what Bouteflika can achieve have now been reached. Decisions affecting the receipt and deployment of Algeria’s extensive external revenues (97 percent of which are derived from the export of hydrocarbons), the general direction and speed of public expenditure, and defense and security policy remain firmly in military and security hands. Arab Spring-inspired measures introduced since 2011 have included the suspension of the nearly 20-year-long state of emergency, as well as constitutional and legal revisions allowing for more parties, including Islamists, to stand in the general elections held in May 2012. However, despite limited excitement over the prospect that new Islamist parties would sweep the polls, the heavily stage-managed nature of these reforms has done little to change the realities of state power in Algeria. Instead, the electoral victory in May of the erstwhile lone party, the National Liberation Front (FLN), indicates that radical political change is still far from being on the agenda of Algeria’s political establishment.

Meanwhile, Bouteflika, in office since 1999 and in persistent ill-health in recent years, is unlikely to stand for another term in the presidential election scheduled for May 2014, and his potential successor is the source of mounting speculation.* Equally, the military-security establishment is aging, and several key generals have died in recent years. The head of internal security, Maj.
Gen. Mohammed “Tewfik” Mediène, in charge of the much-feared Directorate of Information and Security (DRS) since 1990, is a critical player, the intelligence services being at the heart of internal political control. Due to the opaque nature of political decision-making, the prospect that the mantel of power may be passed to a younger generation of military and security officials cannot be discounted. A more radical break with the continuity of Algeria’s foreign and defense policy may also emerge as the generation that has governed Algeria for more than four decades necessarily disappears from the scene over the next few years.

Until now, Algerian policy has been governed by two main impulses or linked objectives. The first, heavily influenced by the country’s 8-year-long independence struggle in the 1950s and subsequent victory against French colonial rule in 1962, has been to maintain the Algerian state’s independence of action in the international sphere. The second, which reflects the regime’s continuing postcolonial instincts, has been to defend Algerian sovereignty from unwelcome external intrusions.

This means that Algeria has not always been in step with its immediate region or prepared to accommodate the pressures others may attempt to exert on it. In the public sphere of official policy declarations, this often translates into a strident and defensive tone, and without the significant backing of its hydrocarbon revenues and the tight control exerted over its internal rentier economy, Algeria’s uncompromising stances would prove more difficult to sustain.

Foreign policy has nevertheless been the sphere in which Algeria has achieved its most notable achievements. Few now, for example, continue to scrutinize who was really responsible for the deaths of 200,000 Algerians in the 1990s, and international investigations into Algeria’s human rights record rarely gain traction at the United Nations or other international bodies. Compared to the current intense international focus on the Syrian crisis, to take just one example, this is no small achievement. The official Algerian narrative of having fought its own war against terrorism, single-handedly and without international assistance, throughout the 1990s has prevailed, despite very different interpretations put forward in the Algerian press and elsewhere of official complicity in the violence and manipulation of the “jihadist-terrorist” phenomenon now represented by AQIM.

Although less prevalent in recent years, Algeria also has a track record of international activism, above all in defense of liberation movements and “Third World” causes dating back to its leading role in the Non-Aligned Movement during the Cold War in the late-1960s and 1970s. More recently, Algeria’s fiercely defended independence came under threat in 1986, when a plunge in global oil prices triggered a public debt crisis that forced the government to submit to the unwelcome strictures of the International Monetary Fund until the end of the decade -- an experience Algeria’s powerbrokers have vowed never to repeat.

Throughout the 1990s, during what became known as the “black decade” of civil war, Algeria became more internationally isolated and inward-oriented. Only with Bouteflika’s election in 1999 and his promotion of two amnesty initiatives, of which the Charter for Peace and National Reconciliation was approved by referendum in 2005, did stability gradually return to the country. Having eschewed foreign attempts to broker peace in the 1990s, the Algerian government, under Bouteflika’s influence, seized on the terrorist attacks of September 2001 in the U.S. to reorient and re-energize Algerian foreign policy. Claiming common ground with the U.S. in the emerging “global war on terror,” Algeria re-entered the international scene from late-2001 as a regional champion in the fight against terrorism. To this was added its accumulated counterterrorist and intelligence expertise, which it judiciously offered to share with the U.S. and its allies in the conflicts in Afghanistan and Iraq.

This approach has astutely placed Algeria outside the purview of the kind of intense democracy-promotion policies exercised elsewhere in the region by the U.S. and the European Union, putting the country instead firmly in the camp of both powers’ regional security allies. This success is
all the more striking given the differences Algeria has with the U.S. in particular over a whole range of international issues, including the Western Sahara, Israel and the Palestinians, Iran and now Syria. The resulting security relationship has not only increased U.S.-Algerian bilateral trade almost five-fold over the past decade -- from less than $3 billion in 2002 to more than $14 billion in 2010 -- but also opened the way for Algeria’s acquisition of U.S. high-tech counterterrorism equipment denied to it during the 1990s. In combating the residual terrorist attacks within Algeria of the Salafist Group for Preaching and Combat (GSPC) after 2002, Algeria was also well-placed to align its counterterrorist stance more closely with international efforts against al-Qaida and its affiliates, especially after the GSPC claimed and gained its own affiliation with al-Qaida, renaming itself al-Qaida in the Islamic Maghreb (AQIM) in 2006.

With the spread of AQIM’s activities southward to the Sahel region, Algeria became the partner of choice in Washington’s Pan-Sahel Initiative from 2004 onward and for the Africa Command (Afri-com) mission established in 2007 to monitor the interconnected rise of terrorism, organized crime and trafficking networks across the region. Algeria’s special forces swiftly became a lynchpin of U.S. efforts to train the armed forces of Mauritania, Mali, Niger and Chad to intercept and combat the combined threats to regional stability. In 2010, Algeria led the establishment of a combined military command center at Tamanrasset in southern Algeria and an intelligence-sharing center based in Algiers to coordinate trans-Sahel actions. By the end of 2011, Algeria had committed 25,000 soldiers to a projected regional total of 75,000 troops to engage in joint counterterrorist activities across the Sahel region.

Algeria’s cooperation with the U.S., including the signing of a Mutual Legal Assistance Treaty in the field of counterterrorism in 2010, has by no means entailed surrendering its independence or its own agenda in the Sahel region. U.S. officials were cited as recently as April 2011 as saying that Algeria does not share all of its intelligence on AQIM with its American partners, even when the latter are potentially targeted by threats. In practice, the Algerian regime remains highly suspicious of French as well as American intentions south of the Sahara, where competition over the region’s yet-to-be fully exploited resources -- above all phosphates in Niger and Mali as well as potential hydrocarbon reserves -- has also attracted the attention of the Chinese.

In the wake of the Arab Spring, the Algerians are also concerned that one of the main planks of the past decade’s strategic balance struck with the U.S. and Europe has been weakened. In responding positively to the Islamist electoral victories by the Ennahda movement in Tunisia and the Muslim Brotherhood in Egypt, the U.S. and EU are perceived by Algiers as “going soft on Islam.” Like Egypt prior to the Arab Spring, Algeria has opposed allowing anything more than “house-trained” and co-opted Islamists a free rein in regional politics. For this reason, and because of evident regime parallels, Algiers is keeping a close eye on pressure exerted by Washington on Egypt’s military-led interim government to cede more space to civilians in that country’s halting progress toward democracy.

In the sphere of bilateral relations, the vicissitudes of Algeria’s relationship with France are perhaps the best barometer of how open Algeria is to international cooperation and engagement. The uniquely fraught nature of Franco-Algerian historical, cultural and linguistic ties nevertheless sets this relationship apart from others. France still represents Algeria’s main trading partner, above all for imported goods and manufactures, and around a million Algerians live in France. However, recent attempts to address and move on from the colonial relationship, which lasted from 1830 until Algerian independence in 1962, have suffered a series of setbacks and recriminations, above all when the French National Assembly passed legislation in 2005 asserting that some aspects of France’s colonial legacy had been positive.

Under former President Nicolas Sarkozy, both the tone and content of official French policy toward Algeria was resented in Algeria, but the election of François Hollande as French president in May 2012 appears to have offered new opportunities to restructure the relationship. However, Algerian resentment over France’s regional alliances and influence in North Africa and the Sahel region
remains, extending to France’s role in the drawn-out and inconclusive United Nations-led attempts to resolve the Western Sahara conflict, which has poisoned Algeria’s relations with its western neighbor Morocco since the 1970s.

Morocco has claimed the Western Sahara as an integral and historical part of its sovereign territory since occupying the region in the aftermath of Spain’s rapid withdrawal from its former colonial territory and an ambiguous ruling at the International Court of Justice in 1975. Both the U.N. and the majority of the African Union (AU), however, have backed the holding of a popular referendum of the peoples of the region to decide its future status under a process of self-determination. Algeria itself has hosted a refugee camp of displaced Sahrawis, the Western Sahara’s local inhabitants, in southern Algeria since the mid-1970s and has supported the exiled opposition Saharan Arab Democratic Republic (SADR) and its armed wing, the Polisario Front.

Though a 1991 cease-fire has successfully ended armed fighting over the future of the Western Sahara, the diplomatic stalemate persists over the electoral lists and content of the much-delayed referendum. Meanwhile, allegations that AQIM had infiltrated the Polisario Front surfaced in 2010. Algeria has resisted Moroccan suggestions that a bilateral agreement be reached between the two governments as a preliminary, or even alternative, to holding the referendum. The Algerian authorities cite not only a series of U.N. Security Council resolutions since the 1970s, but also the deployment of a U.N. monitoring and implementation mission, MINURSO, to the region as the main reasons why Morocco’s de facto presence and control over the Saharan territories can only be legitimized through the self-determination of the local population. In this respect, Algeria retains the majority backing of the African Union, from which Morocco has suspended its active membership since the AU’s recognition of the SADR in 1984. But Algiers suspects that France, which enjoys strong bilateral relations with Morocco, and to a lesser extent the U.S. are seeking alternative “pro-Moroccan” ways to resolve the issue.

For now, political tensions over the Western Sahara and the closed border between Algeria and Morocco have been the main impediments to the realization of long-standing plans to promote integration across the Maghreb region of North Africa. Since its creation in 1987, the Arab Maghreb Union (UMA) -- comprised of Mauritania, Morocco, Algeria, Tunisia and Libya -- had failed to convene anything other than regional security meetings at the heads of state or Interior Ministry level. However, in the context of the crisis over Mali, Algeria hosted the first meeting at the Foreign Ministry level on July 9, 2012. Region-wide discussions on new initiatives to encourage greater transregional trade have also been re-opened, as current intraregional trade stands at only 2-3 percent of each state’s total foreign exchanges.

Unlike Tunisia and Morocco, which have diversified their economies under the pressure of increasing costs of imports -- above all of energy -- and the need to attract more foreign investment to create jobs and growth, Algeria’s reliance on hydrocarbon exports for its main source of income has minimized the importance of the transregional dimension to its own economic development. Unlike its neighbors, too, it has also been able to contain EU attempts to impose conditionality in trade relations under various EU-Mediterranean initiatives, such as the Barcelona Process from 1995 and the European Neighborhood Policy more recently. Consistently high oil and gas prices have allowed Algeria to focus on retaining its main export markets across the Mediterranean in southern Europe. Gas pipelines, above all the Medgaz gas pipeline that came online in March 2011, already link Algeria’s Saharan gas fields directly and indirectly -- via Morocco -- with Spain, and the completion of a new pipeline in 2014 with Italy, via Tunisia, is pending. Algeria is also now the United States’ second-largest supplier of oil in the wider Middle East region, behind only Saudi Arabia.

The government’s reversal of reforms adopted in 2005 designed to promote more foreign direct investment in the hydrocarbon sector have nevertheless provoked more setbacks than anticipated. The new hydrocarbon law adopted in 2006 now limits the participation of international oil companies to 49 percent of joint ventures with the national oil company Sonatrach. Together with the imposition of higher windfall taxes on foreign earnings, the law has diminished the international
attractiveness of developing Algeria’s energy potential. Even with the recent discovery of new gas deposits in the Algerian Saharan, Algeria has found fewer international partners willing to invest further in developing its hydrocarbon sector. It may yet find itself even further behind the curve in energy production and market share as the impact of the discovery and exploitation of shale gas deposits changes the global landscape of energy importers and exporters in coming years.

In this respect, Algeria’s relations with the wider Arab world, above all with its fellow oil-producers in the Gulf region, have been dominated by securing their shared interests through OPEC. However, at the political level, Algeria perceives Saudi Arabia and the smaller Gulf monarchies to be too closely aligned with the Moroccan monarchy to be fully trusted, especially following the invitation extended by the Gulf Cooperation Council (GCC) to Morocco and Jordan to join its ranks in 2011. Algeria is also not enamored of the new regional activism of Saudi Arabia and Qatar in support of Islamist movements throughout the Middle East. Even if both still seem to be on the side of limiting the regional spread of democracy, Qatar broke ranks in 2011 to provide both financial and diplomatic assistance in support of Ennahda’s electoral victory in Tunisia. For Algiers, Qatar’s backing of “moderate” Islamism and Saudi Arabia’s official or unofficial backing of its Salafist variants, above all in Egypt, pose exactly the kind of destabilizing risk that Algeria has successfully clamped down on since the late 1990s.

This has made Algeria wary of Saudi or GCC-led initiatives in the Arab League. Algeria initially went along with the consensus struck in early 2011 to support U.N. action to protect Libyan citizens against Gadhafi’s threats in March 2011. However, when NATO assumed control of the U.N.-sanctioned no-fly zone under Operation Unified Protector, Algeria was considerably less enthusiastic about the actions of Western forces so close to its immediate borders. As the Libyan conflict evolved over the summer of 2011, Algeria was even suspected, without any clear evidence, of supporting the Gadhafi regime’s fight for survival. In any event, by the late summer of 2011, the Algerian government accorded asylum to Gadhafi’s wife, daughter and two sons, on the grounds that their request could not be refused according to Muslim tradition.

The fallout from Libya has also colored Algeria’s approach to the Syrian crisis, where, like its main military trading partner, Russia, Algiers is on its guard against allowing U.N. Security Council resolutions to be used to justify Western-led mission creep. Algeria is once again loosely onside with Arab League positions on Syria and is a member of the league’s committee charged with monitoring the issue. However, diplomatic consultations between Moscow and Algiers to discuss developments increased in early 2012, and Algiers’ “close relations” with the regime of Syrian President Bashar al-Assad are often cited by advocates of international intervention to suggest that Algeria is unlikely to support anything more than the already failing Annan Plan to resolve the crisis. Given the limits to the Algerian regime’s own popular legitimacy and domestic accountability, it is not surprising that it should converge with those who, like Russia and China, are opposed to an international or regional drift toward regime change in Syria. Nevertheless, the imperative of retaining its own freedom of maneuver and of deflecting any potential parallels that might be drawn with authoritarian systems elsewhere in the region means that Algeria has refused to be drawn, by Russia or anyone else, into taking a more public stand on the future of Syria or, for that matter, Yemen before it.

Finally, Algeria’s wider global relations reflect almost entirely its pragmatic needs, commercial imperatives and a residual link to anti-Western leaders, such as Venezuelan President Hugo Chavez, who was rumored to be responsible for convincing the Algerian government to “renationalize” its hydrocarbon sector by rescinding the 2005 hydrocarbon law. With China, Algeria has seen a considerable expansion of commercial links, above all in according Chinese companies, complete with their own imported workforce, contracts for the extensive public works projects that have been accelerated over the past decade. Around 50,000 Chinese workers have now taken up temporary residence in Algeria, provoking occasional friction with the local Algerian community, but also diversifying the somewhat closed social landscape of Algeria’s domestic economy in ways that may have positive as well as negative impacts over the longer term.
DEFENSE POLICY

Most of Algeria’s foreign policy declarations give pride of place to security as a necessary condition for the pursuit of other policy objectives, both at the national and regional level. With the advent of greater tensions in the Sahel, Algeria’s extensive defense capabilities, including a combined military and domestic security forces amounting to 187,000 personnel, are being increasingly called into play.

For reasons partly associated with the rising instability on its southern flank, Algeria has been increasing defense expenditure in recent years, with the defense budget increased by 22 percent in July 2011, at the height of the Libyan crisis, to an estimated $9.5 billion by year’s end. This is in addition and complementary to an extensive upgrade of military equipment launched in 2006, when a $7.5 billion military modernization and training program was concluded with Russia. This is believed to include 40 MiG-29 fighters, 20 Sukoi-30 fighters and 16 Yak-130 training planes, together with 8 S-300 PMU-2 Favorit rocket systems and up to 40 T-90 tanks. In 2008, 15 of the MiG planes were returned to Russia on the grounds that they contained faulty components, but despite reports that Algeria might exchange these for French Rafale aircraft or seek more equipment sales from the U.S., the Russian deal has remained on track. One reason for this was reported to have been the inclusion in the original agreement of a debt write-off component of $4.7 billion owed by Algeria to the Soviet Union. Another may be the laissez-faire approach that has developed between senior Algerian military officers and their Russian counterparts, which would be hard to replace by the more demanding end-use requirements of French or U.S. military trainers.

According to the Stockholm International Peace Research Institute, Algeria’s defense expenditures in 2011 alone rose by 44 percent, making Algeria the world’s seventh-largest importer of conventional weapons in the period 2007-2011. Much of this capacity has been used in the continuing counterterrorist missions mounted against residual AQIM activity in the Kabyle region to the east of Algiers. AQIM operations seemed to be briefly on the increase following its adhesion to the global networks of al-Qaida, when terrorists launched a series of successful bomb attacks against the government building housing the prime minister’s office and the Interior Ministry in April 2007, and against the U.N. headquarters in Algiers in November 2007. The importance of the Algerian wing of AQIM has nevertheless diminished since then in favor of its Sahel-based offshoot, and the number of adherents, even at the height of the 2007 attacks, has consistently been estimated to be fewer than several hundred active members. In early July 2012, AQIM’s remaining strongholds in Kabylia were reported to have been finally put out of action and dispersed, but this is not the first time victory over AQIM has been claimed in recent years.

Restricted levels of reporting on defense and security matters in an otherwise relatively free Algerian press have failed to quell persistent rumors and inferences that the AQIM phenomenon is not all that it seems, but is rather manipulated by the Algerian regime for its wider strategic aims, including in the Sahel region.

Despite having the capacity to do so, Algiers has been reluctant to deploy directly into the Sahel region since the emergence of the Mali crisis in January 2012, even under increasing pressure from France. The first visit to Algiers of newly appointed French Foreign Minister Laurent Fabius on July 15-16 was reported to have focused primarily on this eventuality. Algeria’s reticence is partly associated with the complexity of the multifaceted and interrelated nature of security threats across the region, of which the current crises in Mali represent only the tip of a potentially much larger iceberg. It is also in deference to the diplomatic process currently being led by the Economic Community of West African States (ECOWAS), of which Algeria is not a member, but whose actions regarding Mali are being closely followed by the African Union, which does include Algeria. The primary factor in Algeria’s calculations, however, is to avoid ceding its own influence on its southern flank to other actors, above all external actors such as the U.S. and France. This includes not acting on behalf of or in conjunction with what are perceived to be French “neocolonial” interests in the francophone states and societies of the Sahel.
Since early 2012, the Algerian government has deployed up to 7,000 border guards on its border with Libya to monitor and intercept the traffic of arms and fighters flowing into Mali, but insists that the interrelated conflicts should be resolved through negotiations among the different parties. This position is in contrast to a recent ECOWAS proposal that a combined West African force be deployed to Mali, which has yet to gain U.N. Security Council approval. Algeria is among those who, like the U.S. and Europe, express the fear that lawlessness in the Sahel region will favor the spread of AQIM’s influence and activities in the region, but the diplomatic complexities of the Sahel also favor the ascendancy of a range of other equally alarming regional trends. The interrelationships between state and nonstate actors across the region make the resolution of the security dilemma particularly challenging: All the conflicts are affected to a greater or lesser degree by criminal networks engaged in the illegal trafficking of drugs, arms, goods and people across the Sahara, and in the periodic kidnappings of foreigners for multimillion-dollar ransoms undertaken by AQIM and affiliated local groups.

As the recent fate of Mali has shown, the weakness of central state authorities has meant that over time, local governments have become implicated in, or compromised by, the large flows of funds that are now permeating the region through illegal networks. The additional threat of drought this year, threatening the lives of close to 18 million people from Mauritania to Chad according to the U.N. in May 2012, has further complicated the risk of state implosion.

In the case of Mali, Algeria has long exercised influence in the country’s northern region, acting as the external broker for the ill-fated 2006 Algiers Accord that concluded the previous Tuareg rebellion against the central Malian authorities in Bamako. Since Mali’s independence from France in 1960, neglect on the part of the Bamako authorities has triggered a number of Tuareg uprisings, but the concessions agreed to and then reneged on in 2006 are the direct source of the latest breakdown in the authority of the Malian state over its northern territories. In turn, the military coup d’état of March 2012 against Mali’s erstwhile President Amadou Toumani Touré and the subsequent destabilization of Bamako itself is as much a symptom as a cause of the latest unrest.

The main forces now competing for control of northern Mali include the secular-nationalist Tuaregs of the hitherto little-known National Movement for the Liberation of Azawad (MNLA), which declared the independence of Azawad -- the Tuareg name for the region -- in January 2012; and the Islamist forces of local rebel leader Iyad Ag Ghali’s Ansar Al-Din, which captured the city of Timbuktu in June 2012. In the mix, however, are forces drawn from the wider region, including AQIM, which has built an opportunistic alliance with Ansar Al-Din based on apportioning a share of ransoms paid for foreign kidnapping victims in which Ghali has played a mediating role. AQIM and Ansar Al-Din do not, notably, share ideological platforms, with the Islamism espoused by Ansar Al-Din being opposed to the jihadist violence and terrorism promoted by al-Qaida.

Of more recent genesis is the Movement for Unity and Jihad in West Africa (MUJAO), in control of the northern Malian city of Gao, which has been of particular concern to Algeria. Reported to be led by a Mauritanian and drawn from local rather than Algerian insurgents, this ideological offshoot of AQIM has nevertheless singled out Algerian targets for attack with more consistency than the controversial AQIM itself. In April 2012, vehicles loaded with explosives were detonated in the Algerian gendarmerie headquarters at Tamanrasset in southern Algeria, wounding 23, in an attack claimed by MUJAO. The group was also responsible in early 2012 for the kidnapping of 7 Algerian consular officials, who were subsequently released in July along with three European aid workers also kidnapped by MUJAO in Algeria in October 2011. The ability of MUJAO to operate in southern Algeria, as well as to successfully penetrate the Saharan stronghold of the Algerian army’s 6th Battalion at Tamanrasset, is a major new source of concern to Algeria’s security planners.

CONCLUSION

Although still limited in scale and scope, Algeria’s main defense and security preoccupations are likely to focus in the near future on its African neighborhood, rather than events across the broader
Middle East. However, as the links between the new configurations of insurgents in Mali and the fallout from the Libyan conflict have demonstrated, both are likely to continue to be interrelated. In turn, the role, objectives and intentions of AQIM in this increasingly diffuse set of conflicts now appear to be more closely aligned with those of the criminal networks it operates alongside, as opposed to its previous position as the main proponent of spreading al-Qaida-inspired jihadism against Western, or indeed Algerian, interests in the region. In focusing on kidnapping foreigners to fund arms purchases and buy local alliances, AQIM has not posed a direct threat to Algeria’s security interests for some time. However, as a key funder of other more targeted insurgent groups, which could now include the newly emergent MUJAO alongside Ansar Al-Din, AQIM may be opening a new chapter in Algeria’s strategic landscape. If so, military action on its southern borders may become an unwelcome, if unavoidable option for Algiers.

More broadly, the past 18 months have brought rapid changes to the region, putting pressure on many of Algeria’s long-standing approaches to defending and advancing its interests. Regional security threats, no less than the wave of democratization and post-Arab Spring Islamist electoral victories, are making key external relationships, with France and U.S. in particular, less predictable and more difficult to manage. Algeria is facing a period of choices, and how it responds will determine its internal stability, its regional role and its relations with its major foreign partners.

Dr. Claire Spencer is head of the Middle East and North Africa Program at Chatham House (the Royal Institute of International Affairs) in London. She previously established and led the Mediterranean Security Program at the Center for Defense Studies, King’s College, University of London, and is currently working on a Chatham House report addressing the structural changes emerging in European-North African relations in the wake of the Arab Spring.

* Editor’s note: The original version of this report incorrectly stated that Algeria’s presidential election was scheduled for May 2013. WPR regrets the error.
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