FIVE YEARS ON
A NEW EUROPEAN AGENDA FOR NORTH AFRICA

Edited by Anthony Dworkin

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Contents

Acronyms

AMDH – The Moroccan Association of Human Rights

AQIM – Al-Qaeda in the Islamic Maghreb

CEMOC – Chiefs of Staff Council, the Sahelian states' joint military command

CSS – Morocco's Supreme Security Council

DGST – Morocco's domestic intelligence agency

DRS – Algeria's Intelligence and Security Department

EUBAM Libya – The EU's Border Assistance Mission in Libya

EUNAVFOR MED – The EU's Naval Force Mediterranean

FCE – Algeria's Business Leaders Forum

FFS – Algeria's Socialist Forces Front party

INDH – Morocco's National Human Development Initiative

LTDH – The Tunisian Human Rights League

MUJAO – The Movement for Oneness and Jihad in West Africa

NDP – Egypt's National Democratic Party

NTC – Libya's National Transitional Council

PAM – Morocco's Authenticity and Modernity Party

PJD – Morocco's Justice and Development Party

PT – Algeria's Workers' Party

UNSMIL – UN Support Mission in Libya

Map of the region

Disputed territory

Anthony Dworkin

Introduction:
Europe's interlocking interests in
North Africa

Five years ago, the people of North Africa took to the streets and drove out the autocrats who had ruled them for decades. In Tunisia, a vegetable seller set himself on fire and inspired a revolution that convulsed the Arab world. Hundreds of thousands of Egyptians massed in Tahrir Square and made it a worldwide symbol of peaceful protest. Demonstrations in Libya turned into an armed uprising that prompted Western military intervention and ended the absolutist rule of Colonel Muammar Gaddafi. In Morocco and Algeria, undemocratic regimes remained in place, but it seemed that they would be forced to make major concessions in response to popular demands for change.

Europeans had not expected the revolutions, but they quickly embraced them as a historic breakthrough, and foresaw the triumphant spread of democracy and political reform across the region.

Today, the picture in North Africa is very different. A new strongman in Egypt has overseen a crackdown on his political opponents that is harsher than before the revolution. Libya has descended into chaos and extremism, while Tunisia's new democracy remains fragile, beset by economic problems and terrorism. Reform in Morocco and Algeria has slowed, if not stalled. Far from becoming a beachhead of democratic progress in the Arab world, North Africa is fighting to stave off disorder. Waves of migrants are passing through the region to Europe, and terrorist groups are an increasingly severe threat in several North African countries.

Under these circumstances, it is not surprising that the European Union's stance towards North Africa is now overwhelmingly defensive. Instead of democratic transition, the EU's primary goal is damage limitation. European leaders and officials are concerned above all to restore a degree of order to Libya and preserve the precarious stability of the other North African countries against a

background of regional conflict and state breakdown.

In its efforts at damage limitation, the EU must not let excessive pessimism replace its previous excessive optimism. The lessons of the 2011 revolutions remain clear: there is no such thing as authoritarian stability in North Africa. Marginalisation, lack of opportunity, and the absence of basic human dignity are powerful drivers of unrest. Long-term stability requires accountable government and an economy where the benefits of economic growth are spread more widely. The necessary reforms will be difficult to advance so long as regimes remain beholden to narrow elites rather than the mass of their citizens, and so long as state institutions remain corrupt and inefficient.

As a result, the pursuit of stability and security cannot be divorced from the wider economic, social, and political context – even in the short term. European interests in North Africa lie inescapably in coordinated progress across the three interlocking areas of security, economic development, and accountable governance.

But given the near-total failure of democratic transition in North Africa, the EU must work with the partners it finds. No North African government (not even in Tunisia) has embraced this agenda in full; some regimes (in Egypt, for instance) reject almost all of it. Many North African countries are ready to welcome development assistance, but do not want to discuss corruption, or reform of the security sector or judiciary. Threading a path through these complexities will not be easy. However, if the EU simply ignores the wider context in these countries, its initiatives are likely to fail.

The starting point for any successful European policy must be the inseparable nature of security, economic development, and political reform in North Africa, and a detailed understanding of precisely how these factors interact in each country. This report is intended as a contribution towards that understanding.

The lessons of the last five years

In the immediate aftermath of the Arab uprisings, the EU imagined its relationship with the countries of North Africa as a "partnership for democracy and shared prosperity".[1] By the end of 2015, a more hard-headed vision prevailed. The recent review of the European Neighbourhood Policy (ENP) describes stabilisation as

1 A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean", European Commission/ High Representative of the Union for Foreign Affairs and Security Policy, Brussels, 8 March 2011, available at http://eeas.europa.eu/euromed/docs/com2011_200_en.pdf.

Fatalities from terror attacks in North Africa, 2011-2014

10 fatalities

Morocco (20)

Tunisia (71)

Algeria (193)

Egypt (653)

Libya (991)

Source: Global Terrorism Database
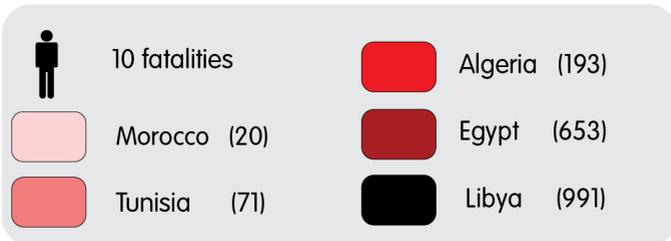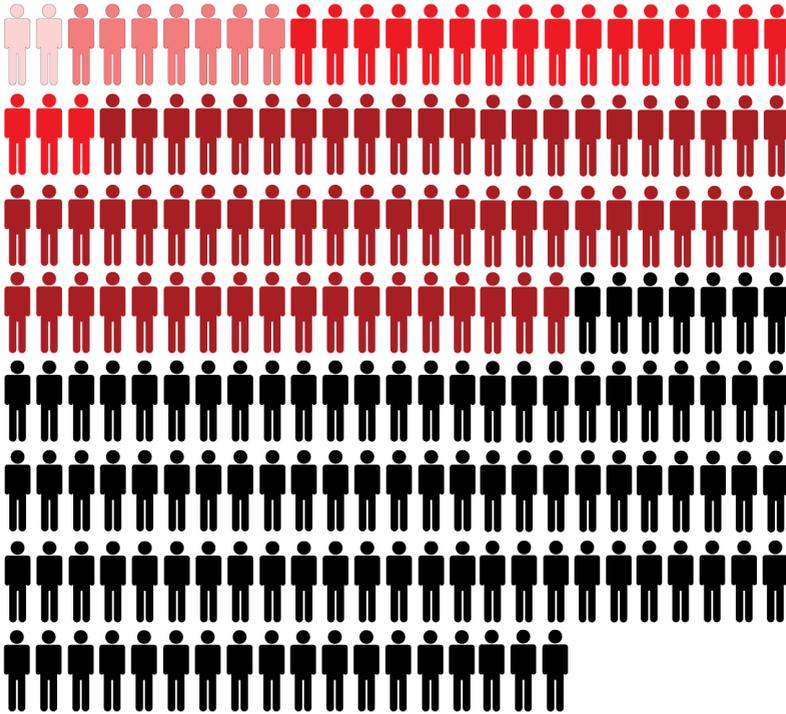
"the most urgent challenge" in many parts of Europe's neighbourhood, including North Africa.[2] EU member states with the strongest links to the region are now focused on preserving the areas of stability that exist, and cooperating with the regimes that are in place (whatever their democratic credentials) on areas such as counterterrorism, migration, and economic development.

The new emphasis on stability makes sense. Further state breakdown in North Africa would be devastating for its populations and threaten serious consequences for Europe. European security concerns are real and pressing. But this focus on stabilisation above all else is also disturbingly reminiscent of the period immediately before the Arab uprisings, when one EU official characterised the three priorities of member states in their dealings with the region's autocratic regimes as "stability, stability, and stability".[3]

As the EU learned from the uprisings, stability cannot be understood in terms of security alone. The EU's pre-2011 bet on modernisation led by autocratic rulers was misplaced. Long-term stability for these young, fast-growing societies will not be possible without inclusive economic development and a degree of accountable governance.

Granted, the EU has pressing reasons to worry about disorder in North Africa: the security threats are more pressing now than they were before 2011, and the refugee flows (above all, through Libya) much greater. Nevertheless, the resonance with the pre-revolutionary period highlights a key challenge for the EU. It needs to correct for the wishful thinking that infected its policymaking towards North Africa after the Arab uprisings without at the same time discarding all the lessons it claimed to have learned from them. In working with North African countries to contain or resolve crises, the EU must not lose sight of its longer-term goals and interests in the region.

The EU went some way towards acknowledging this fact in the ENP review, promising a comprehensive approach to sources of instability including "poverty, inequality, a perceived sense of injustice, corruption, weak economic and social development and lack of opportunity, particularly for young people".[4] But putting it into practice will be far from straightforward.

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2 "Review of the European Neighbourhood Policy", European Commission/High Representative of the Union for Foreign Affairs and Security Policy, Brussels, 18 November 2015, p. 3, available at http://eeas.europa.eu/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf (hereafter, "ENP Review").

3 Author interview with senior EU official, May 2010.

4 "ENP Review", p. 3.

Defining the European interest

Since 2011, North Africa has not democratised but diversified. Instead of a phalanx of long-serving autocrats, the EU faces authoritarian retrenchment in Egypt, fragmentation in Libya, a precarious transition in Tunisia, ambiguous stirrings of change in Algeria, and a Moroccan regime that is interested in presenting at least the image of serious political reform. The directions taken by these countries owe little to EU engagement (leaving aside the 2011 military intervention in Libya). Now the EU must try to implement its wider vision of stability with a range of partners, each of whom has its own agenda, and over whom the EU has limited influence.

The EU lacks the capacity to drive through reforms in North African countries without strong local support, and should not make the mistake of assuming that its southern neighbours aspire simply to develop in a "more European" direction.[5] For this reason, the EU is most likely to succeed in supporting change where there is greater mutual ownership of the proposed initiatives, as the ENP review is right to observe. It has become a truism within the EU to say that policies need to be more carefully tailored to the particular circumstances of each North African partner. But, at the same time, the EU will gain little if it simply allows local elites to set the agenda for their country's relations with the EU, without taking into account Europe's interests and its objectives for the region's future development.

The success of European policy towards North Africa will depend on whether the EU can find a way to work with the regimes in place while also defining and advancing its own vision of the most important steps to promote the development of each country. This will require a delicate sense of how far the EU can push its partners to take steps that may challenge local power structures, and where such initiatives are likely to win popular support.

There will be a strong temptation for the EU and its member states to fall back into old patterns of dealing with North African regimes. In the past, the EU shied away from pushing these countries to reform politically because the risks of destabilisation and alienating partner regimes seemed to outweigh the chance of political progress. Yet the EU has a powerful incentive from the 2011 revolutions to remember that authoritarian stability is a mirage, and that economic development overseen by unaccountable governments tends to deliver little gain for their subjects.

5 For more on these points, see Anthony Dworkin and Nick Witney, "A Power Audit of EU-North African Relations", European Council on Foreign Relations, September 2012, available at http://www.ecfr.eu/publications/summary/a_power_audit_of_eu_north_africa_relations.

Moreover, European governments should recognise that North African countries' cooperation with the EU in areas such as migration and counterterrorism is based on a calculation of their interests. Such cooperation will not be put in jeopardy if the EU pushes incremental changes in economic policy or political openness that do not pose a threat to North African regimes' hold on power. Objectives pitched at this level are more likely to be implemented than sweeping plans for fundamental change, and thus represent a realistic set of goals that the EU and its member states could unite around. North African countries all value their relations with the EU, albeit to different degrees, and this gives the EU the scope to push initiatives that it regards as worthwhile and to restrain measures that it opposes. As a vital first step, the EU should approach discussions with North African governments having made a clear distinction internally between initiatives that are inherently valuable, as opposed to those that it would pursue merely for the sake of maintaining cooperation with partner countries.

For such an approach to work, the EU will need a high level of local knowledge in each case, including recognising that the country's economic needs may not coincide with the EU's traditional agenda of deep and comprehensive free trade agreements. The EU and its member states will need to make sure that they deliver consistent messages, and that member states do not abandon the effort to encourage initiatives that are important for long-term stability, in their desire to secure cooperation on their short-term security needs. There is no contradiction in pursuing both goals simultaneously. Only where European policymakers find their efforts to advance their objectives completely blocked should they consider downgrading engagement to a purely transactional relationship.

At a time of limited European resources, the EU also needs to prioritise. It should make sure that funding and diplomatic energy are devoted to areas where it can make a significant difference, and where it will help secure a genuine European interest. Above all, the EU needs a working sense of the linkages between the different goals it seeks to promote: security and societal resilience, economic development, and political openness and accountability. EU policy towards the southern Mediterranean has failed when it pursued these objectives in isolation from each other.

The EU has for many years tried to pursue a transformative strategy aimed at promoting North African countries' economic, social, and (more recently) political development, but has always lacked a plausible theory of change. The EU's efforts often seemed to take place in a vacuum, so that it put its money into

Political rights and civil liberties in North Africa, 2011 and 2015

Best →

| | 7 |
| 1 |
| 2 |
| 3 |
| 4 |
| 5 |
| 6 |
| 7 |

Worst ←

Tunisia   Morocco   Algeria   Egypt   Libya

■ Freedom rating 2011   ■ Freedom rating 2015
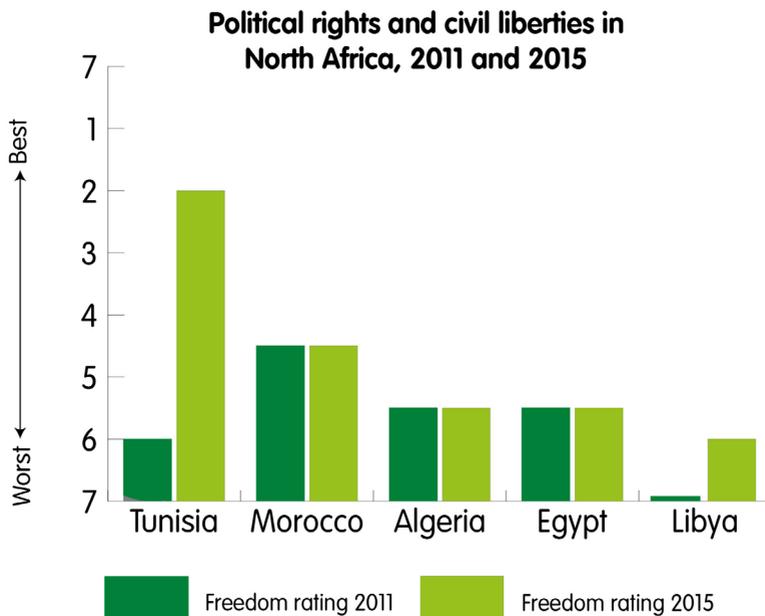
Source: Freedom House's Freedom in the World index

modernisation projects without any evidence that these were likely to produce changes that served European objectives. With limited resources and limited ability to influence its partners' political direction, the EU must ensure that it selects its targets carefully.

Translating theory into practice

Based on these principles, the essays in this collection aim to sketch out the links between security, development, and accountability in the five North African countries, to begin a discussion about how the EU should define its interests and priorities in each case.

Tunisia is in many ways the country where Europe's interests can most easily be defined or met. Since the Arab uprisings, it has had a democratic political system and a government that actively seeks assistance from the EU. But, as Monica Marks argues in her chapter, post-revolutionary Tunisian governments have failed to deliver far-reaching economic or administrative reform. Political parties **15**

Development levels in North Africa, 2011 and 2015


Human Development Index score 2015

Human Development Index score 2011

Source: UNDP's Human Development Index

Scale: 0 to 1, where 0 is least developed and 1 is most developed.

Tunisia
0.698
0.721

Morocco
0.582
0.628

Algeria
0.698
0.736

Libya
0.76

Egypt
0.644
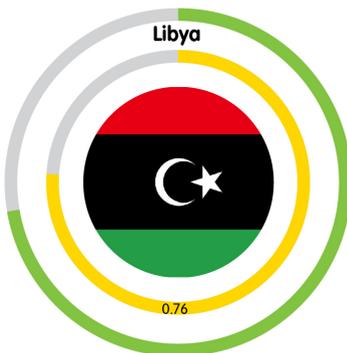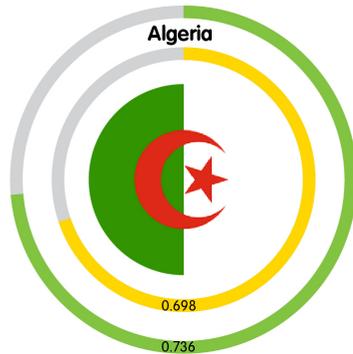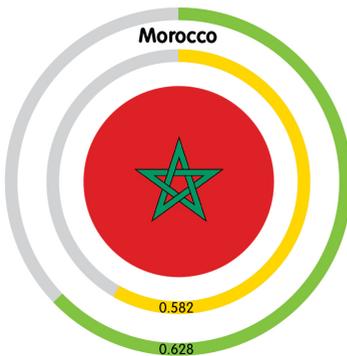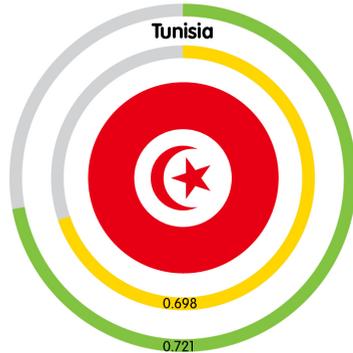
have been more focused on internal power struggles and negotiations among themselves than on developing policies to increase economic opportunities and bring the state closer to its citizens. These failures, combined with the economic impact of a series of terrorist attacks, pose a growing threat to the consolidation of democracy. The recent wave of protests is a warning sign that should not be ignored. Against this background, measures to reform the structures of the Tunisian state to improve its ability to meet popular aspirations and combat security threats are a clear priority for EU support.

Morocco is the North African country that most sharply divides European observers. It seems to present two strikingly different pictures to analysts, depending on the position from which they look at it. Many European officials see Morocco as a promising reformer, citing its new constitution, its commitment to economic modernisation (including investment in renewable energy), and its readiness to engage with the EU on several fronts. In his chapter, Maâti Monjib gives an alternative account, emphasising how the palace has in effect retained all political power, how the regime has cracked down on the press and civil society since 2013, and how government efforts to fight corruption have made slow progress. In the short term, it is hard to see the most influential European countries (notably France and Spain) seriously challenging the Moroccan regime, given their close relationship on topics such as counterterrorism and migration. Under these circumstances, a sensible EU approach might be to explore the scope for building up counterweights to the palace and state within Moroccan politics and society, while supporting economic and social development benefiting the country's deprived regions and attempting to reverse the closing of space for civil society.

Algeria poses a puzzle in a different way. Behind the opaque façade of its interlocking elites, there are signs that Algeria is contemplating economic reform more seriously than it has for decades, as Andrew Lebovich explains. Shifts within the security sector may indicate manoeuvring ahead of the anticipated departure of long-serving President Abdelaziz Bouteflika. The threat of disorder on its borders has pushed Algeria towards greater security cooperation with its neighbours and European countries. Faced with these changes, the EU and its member states should stand ready to lend their support to any beneficial initiatives, even though any reform project that goes beyond piecemeal measures will most likely take place only after the presidential succession, if at all.

Egypt presents a greater problem for European diplomacy. A breakdown of public order would be disastrous, yet the current leadership's approach to

stabilisation is severely repressive and counterproductive. In his chapter, Ahmed Abd Rabou argues that the security-driven approach of President Abdel Fattah el-Sisi is likely to lead neither to lasting security nor to greater economic opportunity. Under current circumstances, it is not clear that any European initiatives towards Egypt could influence the country's direction or, against the broader political and social backdrop, achieve any significant results for Egypt's people. Abd Rabou argues that the EU should renew its efforts to focus the attention of the Egyptian authorities on a few concrete steps to reduce political polarisation and increase the political representation of the mass of society. The EU and its member states must assess whether such a goal is feasible. If not, the EU's best approach might be to scale back its expectations and engagement with Egypt, until the country's leadership is ready to explore a new approach.

Libya's situation is different from the other four North African countries. It is already in crisis, and is exporting disorder to its neighbours through the passage of arms and fighters across its ungoverned spaces. Nevertheless, there is hope that a new national unity government can reverse the pattern of state fragmentation seen over the last few years. In his chapter, Mattia Toaldo makes the case that in order to seize this chance, the EU must address the political and economic factors behind the spread of disorder in Libya, and move away from the security-first approach that has characterised European engagement in the country since the outbreak of its revolution and civil war in 2011. In particular, support to local authorities, an effort to bring cross-border smuggling of legal goods into the regular economy, and the use of national wealth to promote private investment are initiatives that deserve support.

In all these countries, the EU must recognise the limits of its influence. The imperative to take immediate steps for stability, to cooperate on counterterrorism, and to reduce migration to Europe inevitably creates pressure to support whatever measures the local authorities are willing and able to undertake. But against this, the EU and its member states must approach North Africa with their own clear picture of the most important priorities in each country for advancing the EU's interests in security, development, and accountability. The current process to determine the EU's new global strategy should set the broad framework, and the EU and member states should work together to develop a concrete agenda in each case – looking not just at the immediate future but at the longer-term too. If it fails to take such an approach, the EU will simply find itself repeating past mistakes, while the risk of crisis in North Africa rises.

Monica Marks
Tunisia: Completing the transition

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Since 2011, the European Union has come to regard Tunisia as a special case among its southern neighbours. Despite facing grave economic, governance, and security challenges, Tunisia is emerging as the first, albeit fragile, Arab democracy.

The country held free and fair elections in October 2011 and again in autumn 2014. The leading secular party, Nidaa Tounes, and the centre-right Islamist party, Ennahda, have taken steps towards overcoming their mutual suspicion and have so far managed to share political space instead of giving in to polarisation.[1] When security challenges and political opportunism threatened to undermine Tunisia's transition in 2013, political leaders and civil society actors joined forces to steer the country towards peaceful compromise – earning the leading quartet of negotiators the Nobel Peace Prize.

After the January 2011 revolution, Tunisia was quick to welcome international assistance. It has proven a more open, stable, and politically willing partner in development efforts than other Arab uprising countries. The EU has responded positively to this opening, nearly doubling aid immediately after the revolution, and since then has released €300 million each year in European Investment Bank loans. Combined with additional loans, grants, and assistance programmes, EU aid amounts to over a third of Tunisia's budget deficit, or about 1.35 percent of GDP.[2] This assistance is very important

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1 Though deep rifts within Nidaa Tounes, mainly related to the role of President Beji Caid Essebsi's son, Hafedh, resulted in the party's fracturing in January 2016.

2 See "Three questions to the EU ambassador in Tunisia, Laura Baeza", EU Neighbourhood Info Centre, 25 March 2014, available at http://enpi-info.eu/medportal/features/732/Three-questions-to-the-EU-ambassador-in-Tunisia; and "Tunisia: Overview", the World Bank, available at http://www.worldbank.org/en/country/tunisia/overview (last accessed 3 February 2016).

for Tunisia: the country's small landmass and population mean that relatively minor, well-targeted investments of knowledge and resources can yield outsized returns – particularly in long-neglected rural and interior regions.

Yet development assistance alone will not be enough to safeguard Tunisia's path to democracy. Recent terror attacks have fuelled resistance to institutional reform, feeding the narrative that the imperative of security trumps the need for accountable and representative government. The failure to reform the economy or tackle police corruption in turn breeds insecurity, as alienated young people are vulnerable to recruitment by extremist groups. To break this cycle, Tunisia's international partners should make clear that security is inseparable from good governance, and focus on mapping the key bureaucratic obstacles to reform.

Resistance to reform

Although Tunisia's democracy survives, it has sputtered, choked in a web of stubborn institutional challenges. These include corruption, impunity for police abuses, a looming economic crisis, a byzantine investment code, and growing security threats aggravated by the destabilising effect of neighbouring Libya. Though the Constituent Assembly completed a fresh, democratically representative constitution in January 2014, the country's legal architecture remains almost entirely unreformed. The vast majority of Tunisia's laws, covering everything from investment to freedom of speech, are inherited from the era of ousted dictator Zine el-Abidine Ben Ali, and do not yet correspond with the rights-respecting aspirations of the new constitution. Much of the legislation, for example the laws on women's rights and investment, is unclear and is abused by local authorities in the absence of informed pushback from citizens. Moreover, security legislation passed in the wake of recent terror attacks undermines rights.[3] Tunisia's heavily centralised and largely inefficient bureaucracy acts as a bottleneck, holding up the delivery of international aid. Despite the goodwill of international actors and Tunisian politicians, the country has simply lacked the capacity and distributive channels to translate this aid into concrete dividends for the population.

For most Tunisians, core revolutionary goals such as socio-economic dignity, reforms to make state institutions more accountable, and justice for the abuses of the authoritarian era remain pipe dreams. Many say they cannot think of a single benefit the revolution has delivered, apart from increased freedom of

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3 "Tunisia: Counterterror Law Endangers Rights", Human Rights Watch, 31 July 2015, available at https://www.hrw.org/news/2015/07/31/tunisia-counterterror-law-endangers-rights.

expression. Cynicism is widespread, and citizens routinely report a sense of neglect and a lack of connection with the government. Many young people – from students at rural secondary schools to graduates of elite universities – long to leave and build their futures abroad. Unemployment, which the World Bank estimates at approximately 15.2 percent, is significantly higher for young people – especially women – and in poor interior regions.[4] In January 2016, desperation among unemployed graduates in one such region, Kasserine, sparked clashes with the security forces, and some young protesters attempted suicide by throwing themselves off the roof of a local government building.[5]

Disillusioned by the absence of tangible benefits from the revolution and frightened by the growing threat from terrorism, many Tunisians have reverted to nostalgia for authoritarianism, invoking the Ben Ali era as a supposedly more stable time. The security sector has started to regress to repressive methods, particularly torture. Tunisia's political leaders – though professing support for human rights and democratic reforms – frequently deflect criticism of police brutality and torture, arguing that security sector reform is not currently feasible or desirable, as Tunisia is fighting a war against terror. Proposed transitional justice measures, which would have signalled an end to impunity by punishing powerful abusers in Tunisia's security apparatus, have largely fallen by the wayside.[6]

These much-needed reforms are difficult to separate from material assistance from international partners: without meaningful financial aid, Tunisia's leaders have little incentive to pursue challenging or politically sensitive reforms. Yet without such far-reaching reforms, material assistance may remain purely palliative, abetting but not fundamentally addressing core threats to stability and democratic consolidation.

Many Tunisian actors, including civil society activists, elected politicians, and even some bureaucratic personnel, feel that one of the root obstacles to much-needed reforms is the existence of a change-resistant administrative corps inherited from the pre-revolutionary era. "There's a corporatist resistance to change in Tunisia – it's largely a problem of mentality", said one current

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4 See "Tunisia: Breaking the Barriers to Youth Inclusion", the World Bank, 2014, available at http://www.world-bank.org/en/country/tunisia/publication/tunisia-breaking-the-barriers-to-youth-inclusion.

5 See Khalil Jelassi, "Tentatives de suicide et protestations... la tension monte à Kasserine", Webdo, 19 January 2016, available at http://www.webdo.tn/2016/01/19/tentatives-de-suicide-et-protestations-la-tension-monte-a-kasserine/.

6 See "Justice, Année Zero", ACAT, January 2015, available at https://www.acatfrance.fr/rapport/justice--annee_zero. See also the many reports issued by Human Rights Watch and Amnesty International chronicling torture and police impunity from 2011 to 2016.

parliamentarian.[7] Many describe the problem as one of generational mindset, and the difficulty of dealing with a reform-resistant administrative apparatus that cannot easily be forced into early retirement.

Other Tunisians feel that breaking up entrenched interests is a necessary first step towards moving forward with a meaningful reform agenda. Some refer to the unions as a key obstruction to economic reform. More often, however, Tunisians invoke "mafia" networks – particularly those that connect security honchos with corrupt business elites – some of whose members hold elected office or wield powerful political influence.[8]

Preoccupation with the perceived threat of an "Islamist winter" (the notion that elected Islamist parties would hijack the Arab uprisings to impose religious majoritarianism) dominated media and policy discussion within and outside the Arab world in the years following the revolutions. Such concerns have distracted attention from the task of mapping and understanding the key bureaucratic obstacles and centres of institutional inertia that stand in the way of reform in Tunisia. Comparatively little attention has been devoted to developing strategies by which Tunisia can overcome the thorniest obstacles to reform, ranging from mafia networks to administrative resistance.

Tunisia's "war on terror"

The spectre of terrorism has further complicated Tunisia's transition. The "war on terror" has generated an anti-reform narrative that assumes a tension between security and stability on the one hand, and accountability and inclusivity on the other. In fact, these objectives are mutually reinforcing rather than being in opposition: more accountable and inclusive governance will make Tunisia safer. Tunisia and its international partners should move beyond dichotomising narratives that pit stability against accountability, to structure a more effective, sustainable response to terrorism – one that is likelier to bolster democratic governance in the long term.

Tunisia's Interior Ministry is opaque and resistant to reform, according to Tunisian civil society actors and international technical assistance providers. International actors who have attended strategic coordination meetings with

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7 Author interview, 19 October 2015.

8 Kemal al-Taief, a Tunisian construction magnate with close ties to the Ben Ali regime and the Interior Ministry, is often mentioned as an outstanding example of such Tunisian "mafiosos". Yet examples of mafia-style corruption can be found on everyday, non-elite levels too – for instance, police officers often act in tandem with business owners to extract bribes or otherwise harass would-be economic competitors.

ministry representatives complain that these officials – shielded from public scrutiny under Ben Ali's police state, and suspicious of reform – simply present them with the same stale "shopping list" of requests for security equipment. "They simplify Tunisia's terrorism problem: for them, it's all about providing more night-vision goggles and fancy equipment", said one embassy staffer, who had attended such meetings. "But they need human intelligence and efficiency, and they're not going to get that without deep reforms".[9]

Such views are widely shared among international actors engaged in security sector reform in Tunisia. Yet international actors and local civil society leaders have had trouble persuading the Interior Ministry of the need for comprehensive reform. Partners who want to shift the focus towards reform and modernisation, including the EU, have sometimes been sidetracked by the ministry's exclusive focus on equipment.[10]

Tunisian politicians, too, have grown less open to security sector reform since the terrorist attacks of 2015. Following the attacks in March and June, which killed 59 people (most of them foreign tourists), Tunisia overwhelmingly passed a rights-eroding Anti-Terror Law in July. In a Tunisian equivalent of the passage of the United States' Patriot Act, not a single parliamentarian voted against the legislation and only ten abstained. These ten were subjected to a vociferous shaming campaign in media outlets linked to the old regime, which advocated prosecuting them for disloyalty and possible collusion with terrorism.[11] Rather than promoting reforms aimed at increasing efficiency and punishing abuses, the Anti-Terror Law offered an unreformed police force expanded powers to monitor and detain citizens under suspicion of terrorism.

Tunisian civil society organisations spearheaded efforts to curb Ennahda's power during the Islamist-led Troika government of October 2011 to January 2014, but have proved less able to mobilise opposition to abuses – often justified in the name of security – taking place under the current Nidaa Tounes-led government. The Tunisian Human Rights League (LTDH), the most prominent Tunisian human rights group, released a statement signed by 14 Tunisian civil society organisations criticising the Anti-Terror Law, but received little

9 Author interview, 5 November 2015.

10 In early November 2015, the EU unveiled a 23 million euro programme to support the modernisation of Tunisia's security sector. The programme includes equipment support, but rests most heavily on joint trainings and collaborative security exercises.

11 See Marie-Pierre Olphand, "Loi antiterroriste en Tunisie: un texte problématique pour HRW", RFI, 28 July 2015, available at http://www.rfi.fr/emission/20150728-tunisie-loi-anti-terrorisme-hrw-amna-guellali-critique-debat-parlement; and Monica Marks, "Maximising the impact of Tunisia's Nobel Peace Prize", European Council on Foreign Relations, 14 October 2015, available at http://www.ecfr.eu/article/commentary_maximising_the_impact_of_tunisias_nobel_peace_prize4070.

media coverage. The onus of opposing abuse by the security forces has fallen largely on international human rights organisations, including Human Rights Watch and Amnesty International, which have recorded deaths under torture, crackdowns on freedom of speech, and blanket arrests in the wake of terror attacks. This is despite the fact that Tunisia has given much more space to local civil society organisations than other Arab uprising countries, such as Egypt. The 2011 Law on Associations facilitated the creation of thousands of local civil society organisations, and made it relatively simple for foreign NGOs to set up offices in the country.

The preoccupation with terrorism has had negative effects beyond increased police abuses. Focus on the Anti-Terror Law and subsequent security issues has also delayed a raft of critically needed legislative and institutional reforms. These include overhauling Tunisia's repressive penal and military codes, streamlining its tortuous investment code, and reforming its corrupt and unreconstructed judiciary and police force.

Citizen-oriented reforms in these areas would enhance government accountability and inclusivity, and help Tunisia to stabilise its democratic transition and more efficiently combat terrorism. Creating a constitutional court and harmonising outdated legislation with the constitution's new democratic provisions would create a more efficient, citizen-oriented system and boost the rule of law. Addressing corruption and curbing torture in the police force could increase the state's capacity to confront security threats, as police who are seen as bribe-taking abusers are less able to monitor grassroots terrorism threats in local communities.

Suffocated youth

For young people, corruption and impunity across the economic, judicial, and security sectors – and the stifling effect on the opportunities available to them – provokes feelings of desperation. Thirty percent of young Tunisians with university degrees are unemployed – a result of structural, not cyclical, unemployment. Many young people are fixated on accessing the limited number of jobs in Tunisia's already bloated public sector. This is in part because limited access to credit and capital make starting a business near-impossible for all but the wealthy or well-connected. Even among the sons and daughters of business people in elite districts of Tunis and Sousse, youths often talk longingly of moving abroad, citing the rigid layers of bureaucracy required to start a business in the country, as well as widespread corruption.

Young people living in poor and resource-deprived areas complain still more desperately of their lack of opportunities to advance economically or personally. Youth desperation and security threats are interlinked. Analysts who have researched the phenomenon of Salafi jihadism in Tunisia note it correlates strongly with feelings of oppression and marginalisation among youth.[12]

One report on Seifeddine Rezgui, the 21-year-old who carried out the Sousse attack in June 2015, powerfully highlights this correlation. The report quotes an old friend of Rezgui's who describes how he and Rezgui used to breakdance inside an abandoned church that functioned as their town's "maison de la culture". Kicked out of that space, they and other friends then transferred to an open-air location in town, until the police built a wall to stop them getting in. As the friend said:

> In this country, you want to dance, you cannot! ... Look what happened to a young person like Seifeddine. I never want to stay in this country, it destroys you. You're studying? You don't have a future. You work? The salary isn't enough. You steal? You're going to jail. You want to marry? You can't – not enough money.[13]

Many Tunisian young people describe this desperate feeling of suffocation and social exclusion with one word, *hugra*. This word, loosely translating to spurning or exclusion, conveys a deep sense of humiliation. A 25-year-old man named Kais whom I interviewed in 2013 commented on Tunisian youths' responses to this feeling – how young people react in different ways, some more violently than others. Kais, a resident of Tunis's hardscrabble Kabariya neighbourhood, said:

> We – young people – are on the margins ... One of my brothers chose *harga* [escape, migration] over *hugra* [this feeling of humiliated marginalisation] and got on a boat to Italy. He died on the way. My other brother chose jihad over *hugra*. Maybe he'll go to Syria. And for me, I don't know.[14]

12 See "Tunisia: Violence and the Salafi Challenge", International Crisis Group, 13 February 2013, available at http://www.crisisgroup.org/en/regions/middle-east-north-africa/north-africa/tunisia/137-tunisia-violence-and-the-salafi-challenge.aspx; Fabio Merone and Francesco Cavatorta, "Salafist mouvance and sheikh-ism in Tunisian democratic transition", Centre for International Studies, Dublin City University, 2012, available at http://doras.dcu.ie/17570/1/1207.pdf; and Monica Marks, "Youth Politics and Tunisian Salafism: Understanding the Jihadi Current", Mediterranean Politics, Volume 18, Issue 1, March 2013.

13 Khansa Ben Tarjem, "Seifeddine Rezgui: De Gaafour à Sousse, de l'exclusion au Djihad", Inkyfada, 3 July 2015, available at https://inkyfada.com/2015/07/attaque-sousse-gaafour-seifeddine-rezgui-terrorisme/.

14 Author interview, 30 December 2013.

In foreign policy circles, citizen-oriented initiatives that promote accountability, respect for human rights, and grassroots development are often subtly branded as well-meaning but ultimately secondary goals – lagging behind supposedly higher priorities like national security and defence. Making government more transparent, accessible, and inclusive, however, could dramatically improve citizen-state relations, rendering it more difficult for would-be terrorists to infiltrate disadvantaged communities.

It would also make illegal migration a less attractive prospect, and help the Tunisian state combat shared European-Tunisian challenges, like migration and terrorism. The security of Tunisia's young people – security in their personal and economic development, and security from police abuses – is directly connected to the security of Tunisian society as a whole.

Beyond aid

Despite taking important strides towards representative and inclusive governance, Tunisia's transition remains fraught with challenges. Unlike Eastern European transitions of the early 1990s, which benefited from the stabilising pull of EU membership, Tunisia exists in an incredibly unstable regional environment. Its transition has unfortunately coincided with the rise of the Islamic State militant group (ISIS), a highly destabilising force that threatens to distract Tunisian leaders and their international partners from the priority of good governance.

Tunisia's international partners should recognise the close connections between governance and security, and invest more in stabilising the country's economy, which has been hit by attacks on tourists. Investment in local infrastructure – from roads and government buildings to sanitation and schools – and support for decentralisation efforts are key. The EU and its member states should build sustained partnerships, rather than hit-and-run conference-style engagements. The issue of border security, for instance, cannot be tackled by simply shipping more equipment into the country. The Tunisian security forces require not just firepower but training on how to effectively and humanely use whatever equipment is given, and on how to conduct their duties with efficiency and professionalism. This should focus on eradicating bribe-taking and enforcing respect for rights.

Tunisia's international partners should encourage much-needed citizen-oriented reforms. They should promote measures to address corruption and lack of accountability, perhaps by taking cues from countries such as Croatia that have established successful anti-corruption committees.[15] Another priority should be to scrap rights-restricting laws from the Ben Ali era to correspond with Tunisia's new constitution, overhaul the unclear and inefficient investment codes, and reform the bureaucratic public administration. Achieving these institutional reforms may not be easy – especially in areas where problems have come to be seen as "cultural" (for example, the culture of corruption, of impunity, and of bureaucratic inefficiency) – but they are essential to stabilise Tunisia's tumultuous transition.

The greatest contribution that outside partners like the EU and its member states can make to democratic consolidation and stability in Tunisia lies not in providing further financial aid, but in supporting and incentivising effective reform. To achieve this, partner countries should help to map the main roadblocks to reform and collaborate on developing tools and incentive structures to help Tunisia unblock reform on its most problematic fronts. Achieving sustainable economic growth, providing opportunities for young people, and ensuring long-term security are all essential steps for the country's transition to take root.

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15 See Gabriel Kuris, "Cleaning House: Croatia Mops Up High-Level Corruption, 2005–2012", Innovations for Successful Societies, Princeton University, 2013, available at https://successfulsocieties.princeton.edu/publications/cleaning-house-croatia-mops-high-level-corruption-2005-2012.

Maâti Monjib
Morocco: Marching in place

2

Morocco has been engaged in reforms to make its political system more accountable and representative since the early 1990s, but the progress and setbacks have largely cancelled each other out. There have been some advances: since the 2011 Arab uprisings, in particular, there has been a redistribution of power to more representative institutions. But each time the popular pressure for reform drops, the state elite simply reclaims its power. The country has seen significant economic development since the 1990s, but almost no progress towards greater equality. As a result, periods of economic hardship have tended to act as a source of pressure on the state, which has reacted either by allowing more freedom in order to avoid an explosion (as in 1997–2002 and 2011–2013), or by tightening restrictions to prevent instability (as seen since 2013). As Moroccan anthropologist Abdellah Hammoudi has put it, the country "works by treading water".

The regime's current security-first approach may succeed in suppressing disorder in the short term, preserving a degree of the stability that sets Morocco apart from other North African countries, at the cost of a turn back towards repression. But in the longer term, the country's leadership will need to take a more decisive approach to reforms that make politics more accountable, improve public services and offer greater opportunities to young people, if Morocco is to avoid instability and even a slide towards the insecurity that prevails in the region.

A limited opening

The different course of the Arab uprisings across the region suggests a strong link between the redistributive power of the state, and the security of the regime. The oil-rich monarchies, able to pre-empt discontent through large increases in social spending, were least affected. Algeria pursued a similar approach, but could not offer much to its people, due to its relatively limited foreign exchange reserves. The regimes of the poorest Arab countries had even less ability to buy the silence of their people. Thus Morocco, which made an exceptional effort to increase spending in the face of the popular unrest in 2011, was only able to increase the monthly salaries of state employees by some 600 dirhams (€50).

Against this background of limited financial resources, the regime responded to nascent protests in that year with a seemingly serious offer of political concessions. On 9 March 2011, King Mohammed VI promised an ambitious reform programme: consolidating rule of law, expanding civil freedoms, entrenching the separation of powers, strengthening political parties and pluralism, boosting the parliamentary opposition and civil society, and giving constitutional recognition to the diverse cultures within Morocco, among other measures.

The constitution of 1 July 2011, drawn up by a monarch-appointed commission, included measures implementing each of the promised reforms. One significant change required the king to choose the head of government from the party that won the most seats in parliamentary elections; the head of government also gained the power to dissolve parliament. However, short sections in Articles 48 and 49 insulated the political system from change, ensuring that the bulk of power remained in the hands of the king. Under these clauses, the monarch presides over the Council of Ministers, which decides the strategic direction of state policy. In addition, under Article 54, the king leads the Supreme Security Council (CSS), which is responsible for domestic and international security.

Since the inauguration of the government that emerged from the November 2011 elections – the first to be held under the new constitution – it has become clear that provisions relating to the redistribution and separation of powers are only respected in a limited way and on a provisional basis. As soon as the street became quiet, the Makhzen (or centre of power surrounding the king) appeared to recover its traditional extra-constitutional powers. The head of government acknowledged this several times, describing himself as a mere assistant to the king.

Morocco's political opening remains largely provisional and subject to central control, though it also allows some space for elected representatives to establish themselves as legitimate participants in debating the country's direction. The new constitution has given greater prominence and credibility to the elected coalition government headed by Abdelilah Benkirane of the Islamist Justice and Development Party (PJD). The reforms of 2011 also devolved some power to elected local authorities (as opposed to centrally appointed governors), and local elections in autumn 2015 confirmed the continuing success of the PJD in urban areas. However, the nascent political institutions are devoid of any real power: for instance, most important local initiatives still require approval from the Interior Ministry and other central organs.

The gains in civil liberties won on the streets in 2011 and enshrined in the 2011 constitution remained in place for about two years. However, in 2013 the harassment of journalists and the control of the press made a comeback.[1] This is encapsulated in two emblematic cases: that of independent journalist Ali Anouzla, arrested in September 2013 on charges of "material support to terrorist acts", and that of journalist and press freedom campaigner Hicham Mansouri, who was beaten up in Rabat in September 2014 and then formally arrested and prosecuted under the implausible charges of keeping a brothel and complicity in adultery.[2] These cases, and the general harassment of journalists, led most of the press to apply self-censorship. The climate of fear around public speech, which had almost disappeared thanks to the Moroccan Spring, has returned.

Since 2014, pro-democratic civil society has also been targeted as part of this regression, with a particular focus on those most involved in the February 20th Movement, which led the protests of 2011. In 2014 and 2015, numerous public and private meetings were banned, including many organised by the Moroccan Association of Human Rights (AMDH), Amnesty International, and Freedom Now. The government publicly demanded that Human Rights Watch suspend its activities in the country.[3]

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1 For details on the repression of the press, see "Durcissement de la répression à l'égard des journalistes", Reporters Sans Frontières, 5 March 2015, available at http://fr.rsf.org/maroc-durcissement-de-la-repression-a-l-05-03-2015.47652.html.

2 "Morocco jails press freedom advocate Hicham Mansouri", Committee to Protect Journalists, 7 April 2015, available at https://cpj.org/2015/04/morocco-jails-press-freedom-advocate-hicham-mansou.php.

3 "Statement Regarding Human Rights Watch Activities in Morocco", Human Rights Watch, 2 October 2015, available at https://www.hrw.org/news/2015/10/02/statement-regarding-human-rights-watch-activities-morocco.

Development policy and political control

This lack of democratic accountability itself represents an obstacle to socio-economic development.[4] The government elected by popular vote, under the 2011 constitution, is unable to ensure the implementation of its economic programme because it lacks both constitutional and practical power. In practice, the king retains control of all major economic and financial decisions.[5] This disconnect between the government's political programme and the centre of economic decision-making helps explain why progress has been slow on some of the more structural aspects of the government's programme, such as tackling corruption and inequality.

Strategic decisions in economic policy are taken not by the elected government but by a small group appointed and led by the king. Some of its members are selected according to the area of expertise required, but the king's closest circle of advisors, the royal cabinet, always forms the backbone of this group. This decision-making body, which is the most powerful in the country, is not subject to any accountability. Its most important decisions are often announced in royal speeches and thus, according to the 2011 constitution, are not subject to discussion by the elected institutions (see Article 52: "The king can address messages to the Nation and to Parliament. The messages are read before both Houses and they cannot be subject of debate".) The king also appoints the directors and managers of all "strategic" public institutions.

At times, Morocco's authorities have used poverty alleviation as a tool of social control. This has been most visible in a vast anti-poverty programme, the National Human Development Initiative (INDH), launched by King Mohammed VI in 2005. The programme created tens of thousands of local and regional associations, overseen by provincial governors, which allowed the state to develop a capillary presence in communities, and build a local support base dependent on central organs of state. In this way, this and similar programmes reinforce social stability, reducing the potential for unrest caused by social exclusion, and also serve the interests of conservative, authoritarian groups within the regime. Conservatives forces are powerful in rural areas for

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4 In the words of one analyst, "the 'royal programme' has never been subject to any public debate and even less to a democratic legitimization". See Najib Akesbi, "La dimension économique de la nouvelle Constitution, à l'épreuve des faits", in Omar Bendourou et al. (eds), *La nouvelle Constitution marocaine à l'épreuve de la pratique* (Casablanca: Editions Croisée des Chemins, 2014), p. 259 (hereafter, Akesbi, "Dimension économique").

5 "In the field of economy [...], the King remains the source and author of economic, social and financial areas. This is true by law certainly, but also in daily practice." Akesbi, "Dimension économique", p. 280.

obvious cultural reasons, and also thanks to the support they receive from the Interior Ministry's influence over local government. The royalist Authenticity and Modernity Party (PAM), set up by a close friend and advisor to the king, remains the dominant political force in rural areas, as shown by its success in rural constituencies in the local and regional elections of 2009 and 2015.

Poverty and instability

In turn, high levels of poverty and social exclusion pose a threat to the stability of the regime. For example, rapid urbanisation has created additional tensions, expressed in recent protests about utility prices. Despite the recent decline in absolute poverty, the level of inequality remains striking. The proportion of people living below the poverty line almost halved from 1998 to 2007, down from 16.3 percent to 8.9 percent. Though poverty declined, inequality slightly increased in this period.[6]

The poverty rate is significantly higher in the countryside (14.4 percent) than in towns (4.8 percent); however, it is urban poverty that threatens political stability. As Mohamed Douidich, an official at the government statistics institute, the High Commission for Planning, put it: "Poverty in cities is more explosive because it is accompanied by frustration".[7] Urban unemployment stands at 36 percent, as opposed to 8.4 percent in cities, and is concentrated among the young.

Of the five North African countries, Morocco comes lowest on the United Nations Development Programme's Human Development Index (HDI), at 129th out of 187 countries.[8] GDP growth rate remains weak (4 percent on average between 2008 and 2014).[9] The education system is a particular problem, and Morocco ranks 11th out of 14 countries in the Middle East and North Africa.[10] It was not until the late 1990s that an effort was launched to offer a basic education to all

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6 Samia Mansour and Vincent Castel, "Maroc 2015", African Economic Outlook, May 2015, available at http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2015/CN_data/Cn_Long_FR/Maroc_2015.pdf.

7 *La Vie Éco*, "Les nouveaux chiffres de la pauvreté", 9 July 2004, available at http://lavieeco.com/news/economie/Les-nouveaux-chiffres-de-la-pauvrete-576.html.

8 Compared to Egypt in 110th and Algeria in 93rd, for example. See *Human Development Report 2014*, United Nations Development Programme, July 2014, available at http://hdr.undp.org/en/content/human-development-report-2014.

9 Compiled by the author based on official data from the countries concerned and the World Bank.

10 "Un parcours non encore achevé : La réforme de l'éducation au Moyen-Orient et en Afrique du Nord", the World Bank, February 2008, available at http://siteresources.worldbank.org/INTMENA/Resources/EDU_Summary_FRE.pdf.

children, and even now, only 67 percent of the population is literate.[11]

There are some promising developments for the Moroccan economy. The country has become a pioneer in solar power, and is expanding its manufacturing base in areas like aeronautics and automobiles.[12] However, the World Bank concluded recently that the country had yet to make the necessary changes to "further integrate into world markets, create jobs for the millions of unemployed youth and women, and support the emergence of a larger middle class".[13]

Security over democratisation

Though Morocco is the only country in North Africa that has not suffered a major terrorist attack since 2011, when a bomb killed 17 people in Marrakesh, the regime claims to have uncovered numerous jihadist cells active in the country in the last few years, and has arrested many people accused of planning attacks. A government spokesman recently claimed that authorities had dismantled 140 cells since 2002, including more than 15 in 2015 alone.[14] The appeal of Islamist extremism is shown by the number of Moroccans who have gone to fight in Iraq and Syria – an estimated 1,350 by July 2015, according to Moroccan officials.[15] The regime has used the fight against terrorism as justification for its measures to strengthen its control over civil society. The interior minister declared before Parliament in July 2014 that a number of associations were undermining "the reputation and image" of Morocco, hindering effective action against terrorism, and serving "foreign agendas".[16]

Morocco has used and continues to use its intelligence services' proven experience against extremist groups as a diplomatic resource of the first order. Morocco has strong intelligence links with a number of European Union member states, including France, Spain, and Belgium. Cooperation intensified following the November 2015 Paris attacks, which were carried out by a group that included several second-generation immigrants from Morocco

11 The World Bank, 2011, available at http://data.worldbank.org/indicator/SE.ADT.LITR.ZS.

12 Heba Saleh, "Morocco's fledgling aeronautics sector spreads its wings", *Financial Times*, 23 November 2015, available at http://www.ft.com/intl/cms/s/0/b41b3b16-6e98-11e5-8171-ba1968cf791a.html.

13 "Morocco – Overview", the World Bank, available at http://www.worldbank.org/en/country/morocco/overview.

14 Mohamed Etayea and Zakaria Choukrallah, "Mustapha El Khalfi fait le point sur le risque terroriste au Maroc", *TelQuel*, 27 November 2015, available at http://telquel.ma/2015/11/27/mustapha-el-khalfi-fait-point-risque-terroriste-au-maroc_1472070.

15 Mohammed Masbah, "Moroccan Foreign Fighters", Stiftung Wissenschaft und Politik, October 2015, available at https://www.swp-berlin.org/fileadmin/contents/products/comments/2015C46_msb.pdf.

16 Omar Brouksy, "Les espérances se dissipent au Maroc", Orient XXI, 3 February 2015, available at http://orientxxi.info/magazine/les-esperances-se-dissipent-au-maroc,0806.

to Europe. It was due in part to assistance from Moroccan intelligence that French agents were able to locate the ringleader of the Paris attacks in an apartment in Saint-Denis.

However, security was also at the centre of the longest crisis between France and Morocco for a quarter of a century. A French judge opened an investigation into allegations of torture against the head of Morocco's domestic intelligence agency, the DGST, in February 2014, following a case brought by an NGO. Rabat reacted by suspending judicial and security cooperation for nearly a year. The two countries were reconciled following the attack on *Charlie Hebdo* in January 2015, with the French interior minister announcing that Morocco's intelligence chief would be awarded the Legion d'Honneur. As in this case, Morocco has used its relatively effective intelligence and security forces as a diplomatic resource against foreign governments seeking more substantial political reforms and respect for human rights.

The EU and Morocco: Wishful thinking?

For the EU and the United States, Morocco remains the most stable country in North Africa, and the most reliable ally in the fight against extremist groups. Moreover, Morocco is eager to build closer relations with the EU: it has had an Association Agreement since 2000 and an "advanced status" with the European Neighbourhood Policy since 2008. It has begun negotiations on a Deep and Comprehensive Free Trade Agreement (DCFTA) and was the first country in the Southern Mediterranean to enter a mobility partnership with the EU. Given this background, it is not surprising that EU and member state officials are inclined to give Morocco the benefit of the doubt on its programmes for economic development and political reform.

It is clear that human rights and democracy are not a top concern in this relationship. Economic ties and security cooperation on counterterrorism and migration take priority. A clear indication of this was the fact that the EU, France, and Spain remained silent over the 2013 arrest of Ali Anouzla – whereas the US issued a statement of disapproval – and entered into a new Action Plan with Morocco only weeks later.

Even apart from the EU's commitment to support human rights, its uncritical stance towards Morocco represents a missed opportunity to steer the country towards a more sustainable path. If there is no change, the current economic conditions and political exclusion could feed the alienation and radicalisation

of the country's youth, who are already migrating to Europe in large numbers. European officials appear to hope that the shallow political reforms that Morocco has implemented will gain momentum, leading to genuine political accountability and far-reaching structural economic change.

But Morocco's ruling elite apparently feels that it has the situation under control, and that it does not need to undertake real reform. Ironically, that sense of security may lead to the neglect of the far-reaching political and economic change that is necessary to preserve the relative calm that Morocco currently enjoys.

Andrew Lebovich
Algeria: The stirrings of change?

3

Formerly regarded as a bulwark of regional stability, Algeria is now more often described – especially in Europe and the US – as a potential source of tension and conflict. The sharp falls in the price of oil, which is the bedrock of Algeria's economy, threaten an economic crisis. At the same time, the country has been forced to deal with an increasingly hazardous regional security environment due to terrorist threats in Tunisia, insecurity and political breakdown in Libya, jihadist occupation and civil conflict in northern Mali, and the flow of trafficked weapons, narcotics, people, and fuel across the Sahara. These events coincide with a period of uncertainty following the 2013 stroke suffered by President Abdelaziz Bouteflika, who has been in power since 1999.

The vision of Algeria as a stagnant country heading for crisis, however, obscures important shifts in its politics, security architecture, and international outlook.[1] While Algeria's government has only recently begun to take real action to shore up the economy, growing internal consensus on the need for reform may help push the country towards a tentative political and economic opening.

Against this background, the EU and those member states with the greatest connection to Algeria should expand their engagement with the country and seek to more effectively leverage existing opportunities for partnerships, while laying the groundwork for deeper relations in the future.

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1 For a discussion of some of the political changes under Bouteflika, see Riccardo Fabiani, "The Changing Nature of the Algerian Political System and the Illusion of a Civilian Regime", *Jadaliyya*, 6 August 2015, available at http://www.jadaliyya.com/pages/index/22347/the-changing-nature-of-the-algerian-political-syst (hereafter, Fabiani, "The Changing Nature of the Algerian Political System").

Political succession: The realignment

Politics in Algeria today is a game of wait-and-see, due to the uncertainty around who will succeed Bouteflika, and when. While Algerians and international observers have for years described the military leaders, intelligence officials, businessmen, and politicians who make up the country's leadership elite as *le pouvoir*, making all decisions within a tight-knit group, the reality is more complicated. Most observers of Algerian politics agree that power passes between different "clans" or groupings of influential figures bound by diverse ties,[2] from revolutionary solidarities to school relationships to family and regional bonds. Major political decisions in such a system require a modicum of consensus between political elites; this does not mean that Algerian politics is a sham where politics is meaningless and everything is decided quietly by the elite, but it does mean that individual politicians often have limited influence, fuelling competition for positions within the system, and impeding reform.

An example of this challenge can be found in the recent constitutional reform. Bouteflika had promised this since 2011, but the reforms languished before a new constitution was finally adopted by parliamentary vote in February 2016, amid a boycott from several opposition groups. While the delay could be attributed to government reluctance, Algeria's fragmented opposition parties refused dialogue on the constitution without a "roadmap" for political transition.[3] This stance allowed opposition parties to avoid appearing to compromise with an administration they decry, but it also made it easier for the government to avoid the pressure for reform.

The constitution contains protection for individual freedoms and political opposition, and officially recognises the Berber language Tamazight, which is significant given the strong emphasis Algerian nationalists placed on Arab identity.[4] However, its controversial Article 51 has sparked enormous backlash due to the restrictions it places on Algerians with dual nationality occupying senior state positions. The constitution also fell short of expectations in not

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2 A more detailed discussion of how elite political networks in Algeria interact and overlap can be found in Isabelle Werenfels, *Managing Instability in Algeria: Elites and Political Change Since 1995* (New York: Routledge, 2007).

3 Amine Kadi, "En Algérie, l'opposition refuse tout dialogue sur la réforme constitutionnel", *La Croix*, 1 June 2014, available at http://www.la-croix.com/Actualite/Monde/En-Algerie-l-opposition-refuse-tout-dialogue-sur-la-reforme-constitutionnelle-2014-06-01-1159245.

4 For more on the importance of Arabic and the minimisation of Berber identity in the Algerian national project, see James McDougall, *History and the Culture of Nationalism in Algeria* (Cambridge: Cambridge University Press, 2006); also see Gilbert Grandguillaume, *Arabisation et Politique Linguistique au Maghreb* (Paris: Editions G.P. Maisonneuve et Larose, 1983).

creating a vice president, as some Algerian analysts had predicted it might.[5] This means that the institutions and rules that would guide the succession should Bouteflika resign or become incapacitated remain unchanged.[6]

The formal opposition is weak and limited in its impact. Many opposition figures, such as Ali Benflis, a onetime prime minister under Bouteflika, were once part of the system, which reduces the opportunity for opposition groups to build high levels of support, as Algeria-based scholar Robert Parks points out.[7] However, this does not mean that opposition groups are completely ineffective. Algeria's Islamist parties still have internal structures and supporters across the country (particularly in the more populous north), and more longstanding opposition parties like the Socialist Forces Front (FFS) have in recent months made considerable efforts to expand their support and mobilisation efforts. Moreover, movements like the *chômeurs*, who led protests against the high cost of living and lack of employment prospects, along with the anti-shale-fracking protests in the town of In Salah, represent continued agitation against government policies, and particularly the management of the economy.[8]

Despite the blocks to reform, there have been striking restructurings of the security services, bringing them further under government control. Beginning in October 2013, a number of key branches of the Intelligence and Security Department (DRS) were placed under the control of the government or the army. The body's long-serving head, General Mohamed "Tewfiq" Mediène, was replaced in September 2015. The process culminated in January 2016 when the DRS was formally dissolved, and the renamed intelligence services placed under the presidency.[9] Bouteflika also replaced the long-serving head of Algeria's Gendarmerie, General Ahmed Boustila,[10] in September 2015, and the former head of counterterrorism operations for the DRS, General Abdelkader

5 Mohamed Cherif-Lachichi, "La volte-face du pouvoir face à la diaspora," *Liberté Algérie*, 13 January 2016.

6 John P. Entelis, "What does an amended constitution really change about Algeria?" *Washington Post*, 19 January 2016; Nadia Lamlili, "'Réintroduire un vice-president en Algérie aurait pour objectif d'apaiser les craintes liées à la succession' de Bouteflika," *Jeune Afrique*, 22 December 2015.

7 Robert P. Parks, "Algeria and the Arab Uprisings", in Clement Henry and Ji-Hyang Jang (eds), *The Arab Spring: Will It Lead to Democratic Transitions?* (New York: Palgrave Macmillan, 2013).

8 Protests broke out in the Saharan hydrocarbon centre of In Salah in January 2015 over the drilling of test wells for hydraulic fracking in the region, which quickly spread to other Saharan cities as well as northern Algeria. The protests have since died down, but they demonstrated deep concerns over fracking and its impact on fragile Saharan ecosystems.

9 "Algeria's Bouteflika replaces head of DRS military intelligence – sources, state media", *Reuters*, 13 September 2015, available at http://af.reuters.com/article/topNews/idAFKCN0RD0ME20150913; Adlene Meddi, "Bouteflika enfin seul avec Bouteflika," *Middle East Eye*, 26 January 2016.

10 Riyad Hamadi, "Bouteflika nomme un nouveau patron à la tête de la gendarmerie nationale", *Tout sur l'Algérie*, 10 September 2015, available at http://www.tsa-algerie.com/20150910/bouteflika-nomme-un-nouveau-patron-a-la-tete-de-la-gendarmerie-nationale/.

Ait Ouarabi – also known as General Hassan – was sentenced to prison after having been removed from his post in 2013.[11]

At a minimum, these changes show that the Algerian political and security systems are in flux, and that the government has not been immobilised by concerns about Bouteflika's health; indeed, it appears that the presidency has succeeded in publicly reinforcing its authority and that of the army in recent years. Many Algerians and outside observers view these changes as simply part of leadership struggles between the government, the DRS, and the army, which has grown closer to Bouteflika under the leadership of its chief of staff, General Ahmed Gaid Salah. However, this story of inter-service conflict is not universally agreed.[12] Additionally, although the senior military leadership still belongs to the "first" generation of Algerian leaders now in their 70s, the changes may open the way for a transition to a younger generation of military leaders who were not as involved in the period of more direct military control in Algeria during the civil war. It would be wrong, however, to believe that Algeria's security services are making a completely fresh start, as the reorganised intelligence services are under the command of General Athmane "Bachir" Tartag – regarded as a hardliner from his role with the DRS in the 1990s. Instead, these changes could be seen as a kind of managed transition, and a gradual but important realignment of the security services and their relationship with the government.

The prospects of economic liberalisation

Algeria's economic situation is a matter of concern both at home and for the international community. The precipitous slide in oil prices in 2015 has thrown into sharp relief Algeria's dependence on hydrocarbon exports, which account for nearly 60 percent of GDP and 95 percent of foreign receipts.[13] The fall in the price of oil led to a series of dire pronouncements from Algerian officials in summer 2015, with news that receipts from hydrocarbon exports had dropped more than 45 percent in the first five months of the year.[14] With

11 Hebba Selim, "De très graves accusations pèsent sur lui: le général Hassan, ancien chef de l'antiterrorisme incarceré à Blida", *HuffPost Maghreb*, 29 August 2015, available at http://www.huffpostmaghreb.com/2015/08/29/drs-general-hassan-terrorisme_n_8057676.html.

12 Achira Mammeri, "Mouloud Hamrouche: 'Il n'y a pas de conflit au sommet de l'État'", *Tout sur l'Algérie*, 7 September 2015, available at http://www.tsa-algerie.com/20150907/mouloud-hamrouche-il-ny-a-pas-de-conflit-au-sommet-de-letat/.

13 "Algeria oil exports plunge 45% through May", *AFP*, 23 June 2015, available at https://en-maktoob.news.yahoo.com/algeria-oil-exports-plunge-45-may-151423705--finance.html.

14 Ali Titouche, "Chute de 45.47% des recettes", *El Watan*, 24 June 2015, available at http://www.algeria-watch.org/fr/article/eco/hydroc/chute_recettes.htm; "Les reserves de change de l'Algérie perdent plus de 19 milliards de dollars en 3 mois (BA)", *Maghreb Emergent*, 14 July 2015.

current budget deficits and fairly static oil prices, Algeria would be on track to exhaust its still large foreign exchange reserves – now at approximately $151 billion, but possibly as low as $121 billion by the end of 2016 – within the next several years.[15] Government officials have even suggested the possibility that the country may have to take out loans from the International Monetary Fund (IMF) to cover its payments, though Prime Minister Abdelmalek Sellal has indicated that such a move remains unlikely.[16]

Numerous voices within the Algerian elite, including business leaders, are pushing for deep structural changes in the economy. Many of these figures are relatively new actors in Algerian politics, having grown in prominence since the 1990s and particularly during Bouteflika's presidency.[17] Business leaders like Ali Haddad, Laïd Benamor, Issad Rebrab (Algeria's richest man), Slim Othmani, and others represent a range of political trends and ideas about Algeria's future. While Haddad, the current president of the *Forum des Chefs d'Entreprise* (FCE), is seen as close to Bouteflika, Othmani, Rebrab, and others have tried to carve out a space for business leaders as public advocates and supporters of Algerian civil society.[18] Rebrab in particular has clashed with the government over his claims that it lacks political and economic vision, and allegations that there has been interference with and delays to his investments and projects in Algeria.[19] Even the voices that have benefited tremendously under the current Algerian government have felt the need to respond to the perceived crisis with solutions that would dramatically alter key structures, like subsidies.[20]

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15 See Intissar Fakir and Dalia Ghanem-Yazbeck, "Running Low: Algeria's Fiscal Challenges and Implications for Stability," *Carnegie Middle East Center*, 11 February 2016.

16 Nadia Mellal, "Sellal évoque un éventuel retour à l'endettement extérieur", *Tout sur l'Algérie*, 29 August 2015, available at http://www.tsa-algerie.com/20150829/sellal-evoqe-devnt-ls-walis-le-retour-a-lendettement-exte-rieur/.

17 See Fabiani, "The Changing Nature of the Algerian Political System"; also see Amel Boubekeur, "Rolling Either Way? Algerian Entrepreneurs as Both Agents of Change and Means of Preservation of the System", the Journal of North African Studies 18: 3 (April 2013), pp. 469–481, available at http://www.brookings.edu/research/articles/2013/04/14-algerian-entrepreneurs-boubekeur.

18 Rebrab owns Cevital, Algeria's largest private company, while Othmani heads the juice company NCA Rouiba. Both left the FCE in protest of its overtly pro-Bouteflika positioning in 2014. Othmani directs the think-tank Care and is heavily involved with another think-tank advocating political and economic reform, Nabni ("Notre Algérie Bâtie sur de Nouvelles Idées" and also "we build" in Arabic). See Armin Arefi, "Slim Othmani, le patron qui a dit non à Bouteflika", *Le Point*, 19 August 2014, available at http://afrique.lepoint.fr/economie/algerie-slim-othmani-le-patron-qui-a-dit-non-a-bouteflika-19-08-2014-1857539_2258.php.

19 Hadjer Guenanfa, "Issad Rebrab dénonce et accuse", *Tout sur l'Algérie*, 23 September 2015, available at http://www.tsa-algerie.com/20150923/issad-rebrab-denonce-et-accuse/.

20 See, for instance, Tewfik Abdelbari, "Les mesures du FCE pour faire face à la chute du pétrole", *Tout sur l'Algérie*, 27 July 2015, available at http://www.tsa-algerie.com/20150727/les-mesures-du-fce-pour-faire-face-a-la-chute-du-petrole/.

However, in formulating plans to improve Algeria's economic prospects, the government has sought to avoid dealing directly with the broad subsidies on basic goods and staples as well as medical care and housing, which could equal as much as 50 percent of GDP.[21] Many Algerians as well as foreign specialists see the hesitation as a result of concern that social protests will follow any attempt to touch these allocations, although December 2015 government statements clearly indicated a desire to phase out price subsidies while increasing cash transfers to some groups.[22] Instead, the government's public plan for addressing the economic crisis consists of budget reductions of up to 9 percent, a further reduction in imports, and an attempt to bring the estimated $40 billion informal economy under control through the combination of a tax amnesty, increased enforcement, and altered regulatory structures.[23]

In November 2015, Algeria's parliament passed a finance bill for 2016 that contains price increases for some staple goods as well as the liberalisation of the 51/49 law that requires majority Algerian ownership of investment projects. The bill also increased government control over spending and allocation, among numerous other measures.[24] The bill passed despite vocal opposition and protests within the parliament by opposition deputies from the Workers' Party (PT), the FFS, and the Islamist Green Alliance, who claim that the bill will destroy Algerian social protections and further strengthen some of the country's powerful business leaders through the privatisation of public goods, services, and companies.[25] Some commentators and experts believe the political

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21 This calculation takes into account all of the facets of Algerian life that are subsidised by the government. Various Algerian estimates suggest that the state could save as much as $13 billion from restructuring subsidies and taking targeted measures to avoid putting undue stress on low-income Algerians. See Tewfik Abdelbari, "Elles profitent aux riches: ce que coûtent les subventions à l'Algérie", *Tout sur l'Algérie*, 5 August 2015, available at http://www.tsa-algerie.com/20150805/elles-profitent-aux-riches-ce-que-coutent-les-subventions-a-lalgerie-2/.

22 Riyad Hamadi, "Le gouvernement prépare le terrain à un abandon des subventions généralisées", *Tout sur l'Algérie*, 2 December 2015, available at http://www.tsa-algerie.com/20151202/gouvernement-prepare-terrain-a-abandon-subventions-generalisees/; Imad Boubekri, "L'abandon progressif des subventions est inevitable", *Tout sur l'Algérie*, 3 December 2015, available http://www.tsa-algerie.com/20151203/labandon-progressif-des-subventions-est-inevitable/.

23 Ali Benyahia, "Abderrahmane Benkhalfa, ministre des finances: 'On a besoin de l'argent des Algériens'", *El Watan*, 7 September 2015, available at http://fr.africatime.com/algerie/articles/abderrahmane-benkhalfa-ministre-des-finances-besoin-de-largent-des-algeriens; Hamid Ould Ahmed, "Algeria to cut spending by 9 pct next year over oil price slump", *Reuters*, 29 August 2015, available at http://www.reuters.com/article/algeria-economy-idUSL-5N1140IZ20150829.

24 Hamid Ould Ahmed, "Algeria parliament approves 2016 budget, energy price increases", *Reuters*, 30 November 2015, available at http://af.reuters.com/article/algeriaNews/idAFL8N13P3S720151130.

25 "Des deputes empêchent l'adoption de la LF 2016 à l'APN", *El Watan*, 30 November 2015; Imad Boubekri, "Le FFS rejette le projet de Loi de finances 2016", *Tout sur l'Algérie*, 29 November 2015, available at http://www.tsa-algerie.com/20151129/le-ffs-rejette-le-projet-de-loi-de-finances-2016/.

opposition to the law could presage greater unrest in Algeria's streets.[26]

Although there is undoubtedly opposition to economic liberalisation, it is striking how widespread the discussion about the need to "rationalise" these subsidies is in Algeria, among politicians, in the media,[27] and between regular people. There is no guarantee that this will lead to dramatic change; structural reforms have been discussed for years in Algeria with little or no movement,[28] although this may now be changing, with the increased moves towards privatisation, the proposed revision of the 51/49 law, and increased taxes and prices on important goods.

While international attention has in the past focused on the prospect of reform to the 51/49 law, Algerian and foreign business experts and investors say that, in practice, it does little to interfere with foreign investment. Instead, many enterprises are deterred from investing in Algeria by the centralised nature of its political system, extensive bureaucracy, and regulatory uncertainty. Business leaders frequently complain of goods blocked in Algeria's ports with little explanation, and other administrative delays in implementing investment in Algeria or the investments of Algerians abroad.

The growing regional threat

Algeria's military has traditionally focused on maintaining order within the country. This was reinforced by the country's "black decade" of civil war in the 1990s,[29] and by the constitution's explicit ban on the military intervening in the "internal affairs" of other countries. However, the regional disruptions that followed the Tunisian Revolution, the NATO intervention in Libya, and the 2012 Tuareg rebellion and subsequent jihadist takeover in northern Mali, forced the military and government as a whole to reassess Algeria's role in the region.

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26 Bouzid Ichalalene, "Petites augmentations, grandes inquiétudes", *El Watan*, 4 December 2015, available at http://www.elwatan.com/actualite/petites-augmentations-grandes-inquietudes-04-12-2015-309105_109.php; also see Mohamed Saidmou, "*Mukhawif min tuhawwal al-'arak al-barlamani ila ghadab sha'bi*", *El Khabar*, 1 December 2015; on the level of protests in Algeria, see Dalia Ghanem-Yazbek, "Algeria, the Sleeping Giant of North Africa", *Carnegie Middle East Center*, 4 November 2015, available at http://carnegie-mec.org/2015/11/04/algeria-sleeping-giant-of-north-africa/il1i.

27 These discussions are more prevalent in Francophone media outlets, but major Arabic newspapers such as *El Khabar* carried numerous articles about the country's economic situation during this summer and the preceding months.

28 See, for instance, Algérie Presse Service, "Une Commission de réflexion sur la rationalisation des subventions des produits de base", 9 April 2013, available at http://www.djazairess.com/fr/maghrebemergent/22786.

29 On the traditional orientation of the Algerian military, see Kal Ben Khalid, "Evolving Approaches in Algerian Security Cooperation", *CTC Sentinel*, 29 June 2015, available at https://www.ctc.usma.edu/posts/evolving-approaches-in-algerian-security-cooperation (hereafter, Kal Ben Khalid, "Evolving Approaches in Algerian Security Cooperation").

Since 2011, Algeria has repeatedly moved regular forces as well as elite Special Forces units into the Sahara and along the borders with Mali, Niger, Libya, and Tunisia. This was at first a response to concern that weapons were flowing out of Libya through or into Algeria, and later a response to a series of attacks in Algeria that apparently originated in neighbouring countries. The Movement for Oneness and Jihad in West Africa (MUJAO), a splinter of al-Qaeda in the Islamic Maghreb (AQIM) conducted suicide attacks on gendarmerie and police bases in Tamanrasset and Ouargla in 2012. The devastating attack on the gas complex at In Amenas in January 2013, organised by a former senior AQIM figure, killed more than 39 foreign workers and put a dent in Algerian gas production for more than two years. According to Algerian authorities the attack was organised in Libya, but with support and complicity from within Algeria, possibly driven by discontent in the Sahara over the distribution of hydrocarbon wealth and jobs.

More recently, there has been growing concern that Algeria, like neighbouring Morocco and Tunisia, could fall prey to recruitment efforts and attack plots linked to Islamic State (ISIS) in Syria and Iraq. This concern grew after an offshoot of AQIM pledged allegiance to ISIS under the name "Jund al-Khilafa" (Soldiers of the Caliphate) and kidnapped and beheaded a French tourist in the Djurdjura mountains in September 2014 (since November of that year, the group and others affiliated with ISIS have referred to themselves as the ISIS "Wilayat al-Jaza'ir"). Subsequently, two other groups in Algeria have declared their allegiance to ISIS, in the *Wilayah* of Skikda and in Constantine, but there is little indication that they have many fighters.

It remains unclear how many Algerians have gone to fight in Syria and Iraq. *El Khabar* newspaper reported in August 2015 that 407 Algerian jihadists had been killed in northern Mali, Libya, Syria, and Iraq, with 213 killed in the latter two countries.[30] Official Algerian estimates last year placed the number of fighters in Syria at around 200,[31] while media reports place the number only slightly higher, around 300.[32] This number is almost certainly too low,

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30 "407 djihadistes algériens tués au nord du Mali, en Libye, et en Syrie (journal)", *HuffPost Maghreb*, 2 August 2015, available at http://www.huffpostmaghreb.com/2015/08/02/djihadistes-algeriens-tues-a-letranger_n_7919606.html.

31 Richard Barrett, "Foreign Fighters in Syria", The Soufan Group, June 2014, available at http://soufangroup.com/foreign-fighters-in-syria/; also see Peter R. Neumann, "Foreign fighter total in Syria/Iraq now exceeds 20,000; surpasses Afghanistan conflict in 1980s", International Centre for the Study of Radicalisation (ICSR), 26 January 2015, available at http://icsr.info/2015/01/foreign-fighter-total-syriairaq-now-exceeds-20000-surpasses-afghanistan-conflict-1980s/.

32 Ikram Ghioua, "Interpol alerte l'Algérie: 1500 terroristes dans la nature", *L'Expression*, 7 May 2015, available at http://www.lexpressiondz.com/actualite/215640-1500-terroristes-dans-la-nature.html.

given the number of fighters reportedly killed in Syria and Iraq and the flow of foreign fighters from neighbouring countries. However, unlike their Tunisian and Moroccan counterparts, Algerian fighters in Syria are not remotely as present in jihadist media, and interviews with experts and European officials suggest that the number of Algerian fighters in Syria and Iraq remains low compared to those from its neighbours.

The very real threat of insecurity appears to have prompted a series of shifts in Algerian security policy as well as diplomacy. Although concrete information on official policy remains difficult to obtain, the outlines of these strategies can be gleaned through careful analysis of official and unofficial media as well as conversations with Algerian observers and foreign diplomats in the country and in Europe.

For several years, Algeria has sought regional security arrangements to deal with increases in trafficking as well as the threat posed by jihadist groups, in particular through the Council of Chiefs of Staff (CEMOC), a joint military command of Sahelian countries based in Tamanrasset, south Algeria, and inaugurated in 2010. However, CEMOC has proved largely ineffective in most areas except for intelligence sharing, and Algeria and its partners have disagreed over several key issues, including the right to "hot pursuit" of terror suspects across borders. However, Algeria appears in recent years to have adapted its positions on intervention, and has increased bilateral cooperation with some of its neighbours.[33] Algeria has provided important support for the Nouakchott Process, an African Union initiative founded in 2013 that brings together 11 West African and Sahelian countries. Officials told the International Crisis Group that this grouping has already helped improve intelligence sharing, and that there are plans for increased training and cooperation.[34] European officials also indicated in interviews that Algeria has improved cooperation with the G5 Sahel, a French-backed regional security body composed of Mauritania, Mali, Niger, Chad, and Burkina Faso.[35]

Algeria remains steadfastly committed to its non-interventionist stance, which many see as validated by the rapid degradation of Libya's internal security following the 2011 NATO intervention. At the same time, Algeria has assumed

33 Geoff D. Porter, "Challenges to Algeria's Non-Interventionist Stance Seen Through a Regional Lens," *Politique Étrangère*, Volume 3 (2015), pp. 1–12 (hereafter, Porter, "Challenges to Algeria's Non-Interventionist Stance").

34 "Algeria and its Neighbours", International Crisis Group, 12 October 2015, pp. 11-12 (hereafter, "Algeria and its Neighbours").

35 Interview with French and EU officials in Paris and Brussels, December 2015.

a more overt leadership role in regional counterterrorism efforts. This is a response to the changing security environment, as well as being part of a rapprochement with the United States and Europe since 9/11, and a reaction to the growing security cooperation between Morocco – Algeria's neighbour and regional rival – and the US.[36]

Algerian intelligence-sharing with both EU member states and the US has reportedly improved dramatically in recent years, particularly after the In Amenas attack.[37] US and European officials frequently laud Algerian counterterrorism cooperation and diplomatic efforts to resolve security and governance crises in Mali as well as Libya. Algerian military and intelligence officials frequently meet with Western officials and participate in regional dialogues with counterparts in the Sahel. Algerian regional and international diplomacy in particular has become more active and prominent since Ramtane Lamamra became foreign minister in September 2013.[38] Algeria took the lead in promoting and overseeing a peace deal in northern Mali that was finally signed in June 2015, and has hosted talks aimed at forming a national unity government in Libya.[39]

Algeria's government, in particular Religious Affairs Minister Mohamed Aïssa, has been much more open in recent months about internal security concerns, especially related to the civil war in Syria and the threat of radicalisation in Algeria.[40] Aïssa's approach has focused on revitalising Islamic education and practice in order to promote tolerance and religious moderation,[41] while also urging greater supervision over Salafi imams and mosques.[42] Algeria has increasingly emphasised its historic religious ties to neighbouring countries – particularly in the Sahel – to aid foreign relations, mediate conflict, and serve as a force for counter-radicalisation.

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36 Porter, "Challenges to Algeria's Non-Interventionist Stance".

37 British Prime Minister David Cameron, for instance, visited Algeria just after the attacks in part in order to solidify and improve defence and intelligence coordination. Interviews with senior European diplomats in Algiers, July 2015.

38 Interviews with senior European diplomats in Algiers, July 2015.

39 For an excellent description and analysis of Algeria's regional policy, see "Algeria and its Neighbours".

40 Mustapha Benfodil, "Mohamed Aïssa: 'Le danger des imams autoproclamés'", *El Watan*, 24 June 2015, available at http://www.algeria-watch.org/fr/article/div/danger_imams_autoproclames.htm.

41 See Cherif Ouazani, "Algérie: la profession de foi de Mohamed Aïssa", *Jeune Afrique*, 7 October 2014, available at http://www.jeuneafrique.com/43410/politique/alg-rie-la-profession-de-foi-de-mohamed-aessa/.

42 Anouar Boukhars, "'Quietist' and 'Firebrand' Salafism in Algeria," *FRIDE*, 23 November 2015, available at http://carnegieendowment.org/2015/11/24/quietist-and-firebrand-salafism-in-algeria/im9b.

These moves are part of a larger revitalisation of Algerian diplomacy in sub-Saharan Africa under Lamamra.[43] They also appear similar in some ways to Moroccan training of sub-Saharan African imams, although Algerian policy tends to favour leveraging personal relationships and shared communities.

Conclusion: Algeria and the international community

The desire for stability on the part of Algeria's leaders and its people, who are scarred by painful memories and alert to their troubled regional environment, has dimmed support for broad-based movements for change. Although Algeria saw major social protests around food prices and other issues in late 2010 and early 2011, no significant movement for political change emerged during the Arab uprisings. But despite this, many Algerians want reform. The appearance of movement or debate is not simply for show. Given Algeria's importance within the region and abroad as a diplomatic and counterterrorism presence, and its potential for economic growth and investment, the EU and the US should pay careful attention to the country and pursue sustained engagement with its political leaders, civil society, and its people as a whole.

At the same time, the EU should be careful to find the most effective form of engagement. Algeria is understandably jealous of its sovereignty, and some of its central principles, like opposition to direct intervention in the affairs of other states, are unlikely to change.[44] Algeria works closely with international institutions like the EU and the Organisation of African Unity, where its diplomats have long played central roles and maintained an important presence. However, Algeria continues to privilege bilateral interactions with states as partners, and bristles at international attempts to dictate policy change.

Institutions like the EU and the IMF have a tendency, particularly on economic reform, to come to Algeria with a series of demands, such as revisions to the 51/49 law.[45] Lamamra recently lashed out at this stance, criticising the EU's approach to Algeria and suggesting that the relationship benefitted the EU more than Algeria.[46]

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43 Charlotte Bozonnet, "Le réveil de la diplomatie algérienne en Afrique", *Le Monde*, 10 November 2015, available at http://www.lemonde.fr/afrique/article/2015/11/09/le-reveil-de-la-diplomatie-algerienne-en-afrique_4805702_3212.html.

44 On this principle in Algerian foreign policy, see Geoff D. Porter, "Fortress Algeria", *The World Post*, 10 December 2012, available at http://www.huffingtonpost.com/geoff-d-porter/fortress-algeria_b_1951286.html.

45 Jean-Pierre Séréni, "L'Algérie dans le piège gazier", *Orient XXI*, 3 September 2015, available at http://orientxxi.info/magazine/l-algerie-dans-le-piege-gazier,0999.

46 Lila Ghali, "Lamamra critique l'UE pour sa politique de voisinage en direction de l'Algérie", *Algerie1.com*, 24 June 2015, available at http://www.algerie1.com/actualite/lamamra-critique-lue-pour-sa-politique-de-voisinage-en-direction-de-lalgerie/.

By contrast, key energy and investment partners of Algeria, particularly France, have adopted conscious strategies to push companies to invest long-term in the country to maintain ties and build relationships with Algerian companies even if economic terms for industries like automobile production are more favourable in neighbouring Morocco or elsewhere.[47] The British government has encouraged ties through the British Council's activities in Algeria, as well as the UK–Algeria Business Council and the work of the UK's trade envoy for Algeria. Spain has also coordinated with Algeria on increasing gas exports as well as signing a series of trade deals in recent months.

Algeria and the EU have an ongoing dialogue on energy issues, which will become increasingly important as the EU looks to decrease its dependence on Russian gas.[48] However, despite promises to increase hydrocarbon production by 4.1 percent over the next year, rising internal demand will prevent Algeria from supplying a much greater amount of gas to the European market without significant investment in its hydrocarbons infrastructure.[49] This echoes a broader Algerian complaint that the EU is unwilling to invest sufficiently in the long-term growth of Algeria's economy. Algerian officials have called for a revision of the 2005 EU Association Agreement as part of a rethink of this relationship.[50]

Ultimately, as the EU and its member states consider their future engagement with Algeria, bilateral relationships based on partnerships will likely remain the most effective avenue. Rather than relying on Algeria's stability, or passively anticipating a crisis, Europe should invest in a sustained engagement that seeks to help the country move forward.

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47 Interviews with French officials in Algeria and London, August 2015.

48 "EU and Algeria to cooperate on energy", European Commission, 5 May 2015, available at https://ec.europa.eu/energy/en/news/eu-and-algeria-cooperate-energy; also see Tim Boersma, Marie Vandendriessche and Andrew Leber, "Shale Gas in Algeria: No Quick Fix", Brookings Policy Brief, 1 December 2015, available at http://www.brookings.edu/research/papers/2015/11/algeria-shale-gas.

49 Patrick Markey, "Algeria expects 4.1 pct rise in oil and gas exports in 2015", *Reuters*, 7 October 2015, available at https://en-maktoob.news.yahoo.com/algeria-expects-4-1-pct-rise-oil-gas-093248870--business.html; see Simone Tagliapietra and Georg Zachmann, "Reinvigorating the EU–Algeria energy cooperation", Bruegel, 10 June 2015, available at http://bruegel.org/2015/06/reinvigorating-the-eu-algeria-energy-cooperation/. Also see Mokhefi, "Algeria – an unsteady partner for Europe".

50 Ali Titouche, "Accord d'Association avec l'Union européene: L'Algérie réclame une révision", *El Watan*, 7 October 2015.

Ahmed Abd Rabou
Egypt: A self-defeating agenda

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Since Abdel Fattah el-Sisi became president of Egypt in 2014, many Western governments seem to have reverted to a familiar approach to the country. Their policy is based on the belief that while meaningful political reform in Egypt remains a distant prospect, outsiders should limit themselves to encouraging and supporting the country's economic development. This approach matches a paradigm that has regularly been advanced by Egyptian authorities since the country became a republic in 1953: economic reforms come first, with political reforms following later, if at all. However, as conflict and instability spread across the Middle East, Sisi has added a refinement to this traditional model. His regime claims it will work with allies as a trustworthy partner in the struggle against terrorism, while steering the country towards a brighter economic future.

If outside countries accept such a hierarchy of objectives, they are likely to find themselves repeating past mistakes. The results of an "economy first" approach today would differ little from what they were under former President Hosni Mubarak. The reforms enacted by his National Democratic Party (NDP) did nothing to address a series of structural problems linked to cronyism and corruption, which analysts Michele Dunne and Mara Revkin described as "allocation of state lands for private development, concessionary loans for the ruling elite, and sweetheart deals on privatized state industries for regime figures".[1] While the ruling elite accumulated wealth, ordinary Egyptians experienced high unemployment, rising prices for basic commodities, and an

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1 Michele Dunne and Mara Revkin, "Egypt: How a Lack of Political Reform Undermined Economic Reform", Carnegie Endowment for International Peace, 23 February 2011, available at http://carnegieendowment.org/2011/02/23/egypt-how-lack-of-political-reform-undermined-economic-reform.

increasing disparity between rich and poor. These failures of economic reform contributed directly to the revolution of January 2011.

The lesson from 2011 onward has been very clear: without political reforms that promote inclusive rather than exclusionary policies and introduce meaningful accountability, broad-based economic development is unlikely, corruption will not be seriously addressed, and distributive policies will not be seriously pursued. Moreover, the lack of political inclusion has fostered political violence and terrorism. The absence of justice and pluralism has led only to frustration, polarisation, and upheavals that push excluded political movements towards underground politics, and young people towards fundamentalism and even terrorism.

Given the close links between economic, political, and security developments, Egypt's international partners should recognise that the current approach of prioritising economic reforms and counterterrorism initiatives at the expense of civil and political rights will bring neither development nor security.

A foray into democracy

One of the main factors behind the Egyptian revolution was the increasing divide between the elites and ordinary citizens. The great mass of the Egyptian people had not received any tangible benefit from the country's economic growth. In 2008, at a time when the world economic boom was at its peak and when Egypt recorded an annual growth rate of 7.2 percent, the proportion of Egyptians living below $2 a day rose from 17.8 percent to 23 percent.[2] Corruption, deteriorating socioeconomic conditions, and the high cost of basic goods and services, as well as harsh treatment of citizens by the police and other officials, played a central role in undermining faith in Mubarak's regime. The young people at the forefront of the revolutionary movements took to the streets under the banner of social justice as well as political reform.

Yet the revolution did not succeed in achieving political accountability, socioeconomic improvements, or stability. Egypt's attempt at a transition from authoritarian rule to democracy ended when the military ousted the elected president, Mohamed Morsi, in July 2013. The popular demonstrations that preceded the ousting of Presidents Mubarak and Morsi embodied the hope that

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2 Doaa S. Abdou and Zeinab Zaazou, "The Egyptian Revolution and Post Socio-Economic Impact", *Topics in Middle Eastern and African Economies*, Volume 15, Number 1, May 2013, available at http://www.luc.edu/orgs/meea/volume15/pdfs/The-Egyptian-Revolution-and-Post-Socioeconomic-Impact.pdf (hereafter, Abdou and Zaazou, "The Egyptian Revolution").

those holding power would be accountable to the people that elected them in a free vote. Human rights would be upheld, and political institutions would be reformed so that they met societal needs and international norms. None of that has happened. As the experiment with democracy failed, Egyptian society was becoming more divided; the country's problems deepened and solutions moved further away.[3]

Sisi has used the rhetoric of national progress and promise. In September 2015, he claimed in a newspaper article that Egypt had begun "a process of political, social and economic renewal" since the military deposition of his predecessor.[4] But in fact Sisi has presided over a period of authoritarian retrenchment. Since he came to power in 2013, there has been no real reform of the political system or security apparatus.

The regime worked without a legislature for more than two and half years; during this period, Sisi issued hundreds of laws by decree, with no meaningful input from political groups or civil society.[5] Parliamentary elections were finally held in late 2015, but the new parliament is highly fragmented between different political parties and independents. Out of the seats allocated under an individual candidacy system, political parties won only 243 while independents gained 325. The pro-Sisi alliance "For the Love of Egypt", run by former intelligence officers, won all 120 seats contested under the list system. There is no party or alliance with more than 20 percent of seats, and the main opposition political actors have no representation. With a country that lacks a culture of alliances, it is unlikely that this legislative body will be able to embark on any real political or security reforms.[6]

Moreover, as provided for in the constitution, Sisi appointed 28 members of the parliament, comprising 5 percent of its total membership.[7] Under these circumstances, the parliament may prove to be a rubber stamp for the government's programme, a style that was always preferred by Mubarak;

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3 Abdou and Zaazou, "The Egyptian Revolution".

4 Abdel Fattah el-Sisi, "Re-Engineering Egypt's Economy", the *Wall Street Journal*, 27 September 2015, available at http://www.wsj.com/articles/re-engineering-egypts-economy-1443385766.

5 For more detail, see Ahmed Abd Rabou, "The absence of the legislative body and the future of politics in Egypt", Arab Reform Initiative, May 2015, available at http://www.arab-reform.net/sites/default/files/20150518_AbuRabou_formatted%20final_0.pdf.

6 "Egypt's elections committee announces final parliamentary results", *Ahram Online*, 18 December 2015, available at http://english.ahram.org.eg/NewsContent/1/164/173877/Egypt/Egypt-Elections-/Egypts-elections-committee-announces-final-parliam.aspx.

7 "28 MPs appointed by Egypt's Sisi to new parliament: Who's who", *Ahram Online*, 31 December 2015, available at http://english.ahram.org.eg/NewsContentP/1/179843/Egypt/-MPs-appointed-by-Egypts-Sisi-to-new-parliament-Wh.aspx.

even if it aspires to be more independent, it will still be highly fragmented and difficult to coordinate, and may cause a deadlock in the decision-making process. Many observers believe that this will be a short-lived parliament whose main achievement will be to amend the constitution to increase the powers of the presidency before being dissolved.[8]

Egypt, therefore, will continue to lack any oversight or accountability mechanism; the presidency and other security services have a tight grip on power and the police continue to be responsible for numerous human rights violations in police stations, prison cells, and even on the streets. All this represents a replay of Mubarak's security policies. The constitution has been violated many times by the regime, and the president has declared it to be "too ambitious".[9]

A distinctive feature of politics in Egypt today is that the decision-making process has been both militarised and narrowly personalised. Major decisions are typically taken with a view to meeting the concerns of a very limited number of powerful men, including the president, his assistants, top military intelligence officers, leading high court judges, and a few individuals associated with the security services. At the same time, the armed forces have established an effective hegemony over the principal sectors of policymaking. There are no civilian political advisors around the president, who continues to depend heavily on military assistants, including some who were his colleagues while he was serving in military intelligence. Furthermore, a significant number of former military and police officers are also serving as governors or officials in government ministries, either in public relations or directly attached to ministers' offices, and this further increases the primacy of security considerations in the policymaking process.[10]

The limits to economic reform

The current approach of prioritising economic reforms at the expense of security and political reforms is destined to fail even to achieve its central objective. True, there has been some evidence of economic recovery in Egypt.

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8 Rana Nijm, "House of Representatives: the parliament" (in Arabic), *Al-Morakib*, 5 December 2015.

9 "The Constitution is ambitious and needs time to be implemented" (in Arabic), *Shorouk News*, 14 July 2015, available at http://www.shorouknews.com/news/view.aspx?cdate=14072015&id=a111c14d-0011-4f93-a21c-eb6f093f7637.

10 Ahmed Abd Rabou, "Decision Making in Egypt: What Has Changed Since Mubarak?", Tahrir Institute for Middle East Policy, 16 June 2015, available at http://timep.org/commentary/decision-making-in-egypt-what-has-changed-since-mubarak/.

The country's growth rate is predicted to reach 5 percent in 2016, up from an expected 4.5 percent in 2015.[11] At the international investment conference held in March 2015, Sisi was able to announce a number of large international investments; altogether, $36 billion was promised, according to government officials. However, there is little evidence that Sisi is prepared to take the kinds of measures that lead to genuine economic development and job creation.

An essential prerequisite to sustained economic growth is expanding the number of small and medium-sized enterprises; and this, in the words of one analyst, requires "far-reaching institutional and policy reforms that guarantee a better business environment and more equitable access to assets and markets".[12] Yet reforms to the country's bureaucracy have proceeded at a slower rate than promised. Egypt has fallen in the last two years in the World Bank's ease-of-doing-business index and currently ranks 131st.[13] Business leaders complain that the country's leadership, dependent on the security establishment, lacks an economic vision.[14]

Government efforts to fight corruption and unproductive bureaucracy are hindered by the absence of political oversight, transparency, and accountability. They are also faced with structural contradictions within the regime and its supporting network that have not yet been addressed. If the regime in Egypt is to fight government corruption, it will have to follow through on reforms that threaten its network of client–patron relations stretching through both senior and junior positions in the bureaucracy. This contradiction between fighting corruption and maintaining the support structure of the current regime will hinder anti-corruption efforts.

More broadly, the current regime's fiscal and economic policies are the result of policymaking being confined to a narrow circle of advisors, which lacks both transparency and credibility. As economist Omar El-Shenety has observed, before the election of the new parliament, ministers drafted the budget without

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11 "Egypt's financial, economic conditions have improved, but challenges remain: Moody's", *Ahram Online*, 4 November 2015, available at http://english.ahram.org.eg/NewsContent/3/12/162653/Business/Economy/Egypts-financial,-economic-conditions-have-improve.aspx.

12 Amr Adly, "The Economics of Egypt's Rising Authoritarian Order", Carnegie Middle East Center, June 2014, p. 12, available at http://carnegieendowment.org/files/econ_egypt_authoritarian_order.pdf.

13 "Doing Business 2016: Measuring Regulatory Quality and Efficiency", World Bank Group, October 2015, p. 199, available at http://www.doingbusiness.org/reports/global-reports/doing-business-2016.

14 "The lure of Sisi", the *Economist*, 16 May 2015, available at http://www.economist.com/news/middle-east-and-africa/21651278-president-has-secured-investment-not-yet-fixed-economy-lure; Eric Knecht and Asma Alsharif, "Sisi walks fine line between Egypt's tycoons and generals", *Reuters*, 16 October 2015, available at http://www.reuters.com/article/us-egypt-sisi-business-idUSKCN0SA1FZ20151016.

any community discussion or dialogue.[15] The process also lacked transparency, with the presidency making last-minute draft amendments without any consultation or clear decision-making process. In theory, business representation in the parliament could change this equation, but, in practice, the ability of business circles to form a lobby within parliament will be limited by their low representation,[16] and by pressure from the security services for representatives to join a unified alliance called the "Coalition to Support the Egyptian State", which is intended to act as the arm of the government within parliament.[17]

The government's efforts at reinvigorating the Egyptian economy have been overwhelmingly focused on a series of grand, high-profile projects. Yet these dazzling "mega-projects" are a poor foundation for long-term economic development. The project to establish a new capital for Egypt – announced at the March 2015 investment conference – has been criticised as unconstitutional. More recently, further problems have emerged with the main foreign partner announcing its withdrawal. The "new Suez Canal" project has been dogged by claims that officials have exaggerated its likely benefits.[18] As the *Economist* has noted, large top-down schemes "may distract the government from the dull and difficult work of restructuring a sluggish economy and hidebound bureaucracy".[19] The mega-projects lack vision, feasibility studies, and transparency; they prioritise spectacle over lasting economic growth, and the celebration they evoke is likely to be short-lived.

The emphasis on large-scale projects and international investment has tilted the focus of economic policymaking away from sectors that might offer greater benefit for the local population. The majority of the working population is employed in agriculture, but the government has neglected projects such as transport to rural areas that might encourage investment in this sector. Industry and agriculture are more likely to create sustainable growth and employment

15 Omar El-Shenety, "The Budget of Limited Alternatives" (in Arabic), *Shorouk News*, 14 June 2015, available at http://www.shorouknews.com/columns/view.aspx?cdate=14062014&id=ec892313-fd04-49f4-b612-032a8fcef509.

16 For example, the Free Egyptians Party, the strongest advocate of free-market policies and the cohesive representative for business circles in Egypt, has only 11 percent of the total seats.

17 See, for example, the statement by Badawi Abdel-Latif of the Wafd Party in "Unease, security intervention mar proposed pro-state Parliament bloc", *Al-Masry Al-Youm*, 12 December 2015, available at http://www.egyptindependent.com/news/unease-security-intervention-mar-proposed-pro-state-parliament-bloc; see also Heba Amin, "Wafd Party MP: They demanded we sign a document 'in support of the state' but 'we don't understand the point'" (in Arabic), *El Watan News*, 10 December 2015, available at http://www.elwatannews.com/news/details/854403.

18 Omar El-Shenety, "The new Suez Canal: A national adventure but an investment opportunity" (in Arabic), *Shorouk News*, 23 August 2015, available at http://www.shorouknews.com/columns/view.aspx?cdate=23082014&id=b2da9dd0-4a2f-4966-a204-8134eb61e568.

19 "Thinking big", the *Economist*, 21 March 2015, available at http://www.economist.com/news/middle-east-and-africa/21646806-another-egyptian-leader-falls-false-promise-grand-projects-thinking-big.

than real estate, which is central to mega-projects such as the planned new capital city.[20] The promotion of agricultural investment, renovation of railroads, modernisation of irrigation systems, and investment in industrial zones would all contribute more to the well-being of the mass of Egypt's citizens.[21]

An additional stumbling block to reform is the economic role of the army. Over the past few years, the Ministries of Health, Transport, and Housing and Youth awarded infrastructure contracts worth over $1 billion to the army. Although this is not new, the revived role of the army in Egypt's domestic affairs raises fundamental questions about fairness and accountability.[22] The army's industrial and economic assets are unmatched by any other Egyptian entity due to its control and uncontested management of land. The military also has the ability to use conscripts as cheap labour. Its profits are exempt from taxation and business licensing requirements, and its projects are subject to little oversight. All of these factors make it hard for the private sector to compete with the army on even terms.[23]

Most fundamentally, Sisi appears unlikely to take any measures to reverse long-term trends that have led to the social and economic exclusion of large parts of the Egyptian population. Egypt needs an economic policy that does not focus only on overall growth rates, which mostly benefit the elites, but rather targets the poor and the other impoverished groups. To address welfare concerns, it is essential to take measures such as increasing the progressivity of the tax system and improving education to help the poor to gain employment in emerging sectors of the economy. A higher quality of education and a better public health system are fundamental to reforming Egypt's economy. Yet Sisi has done nothing to boost the prospects of Egypt's disadvantaged groups; the evisceration of politics deprives them of any representation, the rights of trade unions have been significantly undermined, and civil society groups have been muzzled.

Finally, the climate for investment in Egypt is strongly affected by the country's security situation. Neither domestic nor international investors are likely to come forward at a time of instability. The aftermath of the bombing of the Russian

20 Omar El-Shenety, "Egypt's hopes for Gulf aid", Arab Reform Initiative, March 2015, available at http://www.arab-reform.net/egypt%E2%80%99s-hopes-gulf-aid-0.

21 Ziad Bahaa-Eldin, "Egypt: Following Suez Canal... Four economic priorities", *Ahram Online*, 14 August 2015, available at http://english.ahram.org.eg/NewsContentP/4/137832/Opinion/Egypt-Following-Suez-Canal-Four-economic-prioritie.aspx.

22 Ahmed Morsy, "The Military Crowds Out Civilian Business in Egypt", Carnegie Endowment for International Peace, June 2014, available at http://carnegieendowment.org/2014/06/24/military-crowds-out-civilian-business-in-egypt (hereafter, Morsy, "The Military").

23 Morsy, "The Military".

Metrojet flight over Sinai in November 2015 highlighted the vulnerability of the Egyptian tourism sector (a vital source of foreign currency) to the perception of insecurity. Yet Sisi's policies appear unlikely to restore stability.

A dysfunctional security policy

Despite the government's emphasis on security, Egypt has continued to be hit by terrorism. Distrust of the state among most opponents of the regime, including youth, Islamists, and non-Islamists, and the polarisation of most media platforms, has led to the growth of a pool of alienated and frustrated people who can be targeted for recruitment by Islamic State (ISIS) and other armed groups. Shutting out opposing forces from politics in particular and the public space in general has led to an increase in political violence.

The insurgency in Sinai is evidence of the dysfunctional security policies of the current Egyptian regime. There is a history of political, social, and economic neglect of Sinai by the central government in Cairo since the early 1980s, when Sinai was fully liberated from Israeli occupation. Nevertheless, the level of violence has increased markedly since the ouster of Morsi. There were 126 terrorist attacks in Sinai between the coup of July 2013 and November 2015, compared to only 16 between January 2011 and June 2013. Moreover, 477 people were killed by insurgent attacks between July 2013 and November 2015, compared to 46 in the earlier period.[24] The militant group Ansar Bait al-Maqdis, or Wilayat Sinai (Sinai Province), as it has styled itself since its affiliation to ISIS, has claimed responsibility for most of these attacks.

The degree to which the increase in violence can be attributed to the removal of Morsi remains a matter of debate inside and outside Egypt. But there is broader agreement about the failings of Egypt's response to the insurgency. According to an analysis by security expert Omar Ashour, the counterinsurgency strategy employed by the Egyptian army in Sinai rests on three pillars – repression, intelligence, and propaganda – which undermine one another, as excessive repression and poor communication discourage local cooperation with the army.[25]

If ISIS-related groups are the main source of terrorism in Sinai, responsibility for attacks in Cairo and other major cities, including the high-profile assassination

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24 These figures were compiled by the author from information reported in *Al-Masry al-Youm* and on the official Facebook page of the Egyptian military spokesman (https://www.facebook.com/Egy.Army.Spox).

25 Omar Ashour, "Sinai's Stubborn Insurgency – Why Egypt Can't Win", *Foreign Affairs*, 8 November 2015, available at https://www.foreignaffairs.com/articles/egypt/2015-11-08/sinais-stubborn-insurgency.

of Egypt's prosecutor general in June 2015, is shared among a more disparate and irregular set of groups. There is strong evidence that followers or people around the margins of the Muslim Brotherhood, especially younger members, have drifted towards violence in revenge for the mass killing, detention, torture, and sexual abuse of friends and family members. While some established Muslim Brotherhood leaders have arguably failed to take a strong line against this drift, the harsh repression of the organisation has severely weakened its ability to exercise control over its members and fringe supporters.[26] Without opening political space and adopting inclusive politics towards political opponents in general and Islamists in particular, there is little prospect that the Egyptian government can reduce the level of violence in the country and establish lasting stability.

A better way forward

Sisi may be able to tighten his grip on power, but stabilisation in Egypt requires more than higher growth and investment rates combined with a repressive approach to public order. What is needed is a political system that provides at least minimal representation for Egypt's different social groups, and economic policymaking that addresses the structural problems of income distribution and redistribution.[27]

Ideally, a reform programme for social development and long-term stability would encompass five interdependent steps:

a)   A new formula for civil–military relations that allows meaningful partnership between civilians and politicians on one side, and military officers on the other, including curtailing the dominance of military officers in policymaking and promoting dialogue between officers and civilians.

b)   Deep reform of the security sector to curb abuses by police officers, and develop their capacity to effectively handle public unrest and investigate the activities of armed groups.

c)   Administrative reform to make the bureaucratic system more productive and efficient, building on a civil service law enacted in

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26 Mokhtar Awad and Mostafa Hashem, "Egypt's Escalating Islamist Insurgency", Carnegie Middle East Center, October 2015, available at http://carnegieendowment.org/files/CMEC_58_Egypt_Awad_Hashem_final.pdf.

27 Amr Adly, "Economic Recovery in Egypt Won't Guarantee Political Stability", Carnegie Middle East Center, 20 May 2015, available at http://carnegie-mec.org/2015/05/20/economic-recovery-in-egypt-won-t-guarantee-political-stability/i8sm.

August 2015, and extending its reach to senior bureaucrats.

d)   A programme of political reform to amend unconstitutional laws, revise the rules governing elections, allow peaceful demonstrations and strikes, promote media freedom and diversity, and open a serious dialogue with civil society organisations over their legal rights and responsibilities.

e)   Reform of the legal system to promote the rule of law and revise the procedures for judicial appointment, allowing for adequate oversight of the judiciary while entrenching its independence from political influence.

Under current circumstances, hopes for a comprehensive programme of reform along these lines admittedly seem remote. For that reason, it is understandable that the European Union would look to economic development as a way to help improve the lives of Egypt's people. Measures that improved the living conditions of Egyptians would also contribute to the country's stability, and so reduce the risk of disorder spilling over to Europe or affecting European interests. Unfortunately, however, there seems to be little that the EU can do to contribute to broad-based economic or social improvement while Egypt's current political trajectory and security policies remain unchanged. In order to contribute to economic change that will truly benefit Egypt's people, the EU must also address the exclusionary approach followed by the country's political leadership.

Neither the EU nor Egypt can afford to sacrifice this strategic partnership; however, there should be changes to the current approach. While continuing their economic support, EU decision-makers must convey the message that measures to improve Egyptians' economic opportunities must be accompanied by political and security reforms. At the same time, security cooperation should encompass the argument that reform is an essential component of more effective counterterrorism, and that counterinsurgency in Sinai will be more effective if based on dialogue with the local population. While the current Egyptian regime will naturally be resistant to these messages, the EU and its member states have strong reasons of self-interest to keep pushing them.

In the longer term, an even more difficult goal will be to reintroduce the idea of an inclusive national dialogue involving all mainstream political groups. Engagement with the country's youth is an important first step, as a younger

generation may be more open to a different political mindset. However distant such goals may currently seem, European officials should reiterate these truths and press for concrete steps in this direction, as well as prepare for the moment when their Egyptian counterparts recognise the futility of their current approach.

Mattia Toaldo
Libya: A way out of the crisis 5

Since 2011, Europe has seen Libya mostly through the lens of security threats. Sprawling militias with a grip on the weak central government; the prospect of uncontrolled migration through and from the country; a rising jihadi presence – these have framed the EU's perception of Libya. Yet Europe's failure to go beyond the security approach and address the political and economic roots of Libya's anarchy and violence has contributed to its descent into the current state of conflict.

Now Europe may have a second chance to support Libya's transition to democracy. In December 2015, a range of Libyan lawmakers and municipalities signed an agreement, under the auspices of the United Nations, to establish a government of national unity. The implementation of this agreement faces many challenges: the government will only be able to establish itself in Tripoli if the UN can negotiate a security agreement with the militias that now control the capital; while the rapid expansion of Islamic State (ISIS) could push the West to intervene militarily, undermining the legitimacy of the UN-backed government.

Beyond these security considerations, the success of any new government will also depend on the broader context in which it tries to govern. Political conditions and deals are key. The support of Egypt, and of the many political leaders and tribes in east Libya, is crucial, and will depend on a prominent role being given to Khalifa Haftar, head of the Libyan National Army (one of the factions that fought in the current conflict). In turn, however, this could alienate important factions in Misrata and Tripoli. Compromise is complicated by the role of Egypt and other regional powers.

The implementation of a political agreement and creation of a government of national accord would be just the first steps in putting the Libyan transition back on track. Europe must learn from the mistakes of the recent past and move on several parallel tracks if it wants to effectively support Libya: political reform, economic development, and security.

The role of the West

It is often said that the current chaos in Libya stems from the failure of the United States and European nations to remain involved in the country after their 2011 military intervention. Yet this is misleading: Libya was not abandoned after 2011. The EU and member states developed programmes to try to build capacity in a number of sectors, from the civil service to security. However, these suffered from serious shortcomings, with a narrow focus on security and a failure to address the Libyan government's lack of capacity.

A security focus

The largest and most expensive programmes dealt with security as a standalone issue. The security situation in Libya deteriorated after the fateful decision between late 2011 and early 2012 of the National Transitional Council (NTC), the interim post-Gaddafi government, to create a hybrid security sector by "integrating" the "revolutionary" militias into the Ministries of Defence and the Interior. These militias kept their pre-existing chains of command and gained a government salary while using their new position to hold politicians hostage (sometimes physically surrounding their offices, or entering armed), rather than providing security. As these "integrated" militias contributed to the Libyan chaos, the EU and member states responded primarily with a narrow, security-driven approach to assistance.

For example, much of the EU's attention was devoted to its Border Assistance Mission (EUBAM), which was taking off when Libya's civil war started in 2014. EUBAM focused on capacity building and strengthening the hold of the central government on the border regions. In addition, in response to the request of then-Prime Minister Ali Zeidan, four NATO countries (the US, the UK, Italy, and Turkey) agreed in 2013 to create a General Purpose Force of some 15,000 soldiers by training Libyan soldiers in their countries and then returning them to Libya. The intended purpose of this force was never clear. The training was an utter failure in the UK and never started in the US, while in Turkey a large

number of recruits dropped out. Only Italy managed successfully to train hundreds of troops, thanks to several layers of vetting; however, it too had to drop the programme once violence escalated in 2014. Similar failures occurred in the large-scale programme to train and support a Libyan police force, to which France also contributed, and a German disarmament programme for the militias.

Ultimately, these programmes all ran up against the same problems. First and most obviously, Libya had neither the capacity nor the structure to absorb these efforts. Often, Europeans struggled to do any capacity building with organisations where few employees bothered to show up to work. In some cases, the government lacked even the skills to conduct a thorough assessment of needs, a necessary first step for the provision of effective and well-targeted assistance. As with many dictatorships, Libya's government under Muammar Gaddafi was not meant to work except under his direct orders or those of his clique.

Second, and most importantly, the narrowly security-focused approach failed to take into account the connections between insecurity, political dynamics, and the peculiar Libyan model of a rentier state. Under Gaddafi, Libyans were "entitled" to a share of the oil rent, usually paid as a state salary that did not imply actual work but rather loyalty to the regime. Since individual salaries were disconnected from any constructive output, there was no incentive to create an even moderately functional government bureaucracy. Ultimately, institutions could not be built up from scratch after the revolution merely through technical assistance; a new social contract was needed. The responsibility for this task obviously lay first of all with the post-Gaddafi Libyan leadership, but the West did not push Libyan authorities to take this task on, instead treating constitution-making as a purely technical matter to be handled by legal experts. Moreover, because of the decisions taken by the NTC after the fall of the regime, the "hybrid" security sector based on militias was now the real political actor that hampered or hijacked reform.

Spillover from a regional clash

Ultimately, what was lacking was not European assistance but rather high-level political pressure and coordination. The EU and member states were at fault in not doing more to try to contain the spillover from Egypt and the competing support from different Arab capitals to the various Libyan factions.

Both Libyans and Europeans made the mistake of viewing the conflict too narrowly, thinking that the chaos could be resolved by forcing the militias to surrender their weapons, while at the same time building a central state. Meanwhile, the country was becoming one of the battlegrounds of the regional confrontation between Sunni conservatives and political Islam. Even though the drivers of the conflict in Libya were only marginally linked to the existence of the Muslim Brotherhood, and more closely related to the militias and their political role, the deterioration was a direct consequence of the coup in Egypt. The coup against President Mohamed Morsi led renegade Libyan General Khalifa Haftar to launch Operation Dignity against "Islamists and extremists" from Benghazi in May 2014; this in turn precipitated the formation of the Libya Dawn coalition by militias from Misrata and the Amazigh/Berber community, along with Islamist groups mostly from the west of the country. The formation of two rival governments and parliaments swiftly followed.

The necessary high-level diplomatic response came only with the formalisation of the P3+5 format (made up of three of the permanent members of the UN Security Council – the US, the UK, and France – along with the EU, the UN, Italy, Germany, and Spain). While this coordination already existed at the ambassadorial level, it was upgraded to the ministerial level after summer 2014, when the violence in Libya had already escalated into civil war.

This high-level international coordination did have a significant impact, pushing the warring parties into the UN-led dialogue (and renewing the pressure every time they dragged their feet) and opposing efforts by regional powers to escalate the fighting. The United Arab Emirates (UAE) and Egypt in particular tried to use the ISIS threat to shift international support to the "anti-Islamist" government based in the port of Tobruk (and thus away from a power-sharing outcome) and more importantly to push for an end to the arms embargo on Libya. Repeated joint statements by the P3+5 in favour of dialogue and against lifting the arms embargo, coupled with concrete efforts to stop the warring parties from taking control of financial institutions, were crucial in stopping Libya's conflict approaching the death tolls witnessed in Syria or even Yemen.

International coordination was expanded in 2015, above all with the Rome conference in December that brought together 17 different states and international organisations, including the permanent members of the UN Security Council. All countries attending committed to have relations only

with a future national unity government, and not with the existing rival administrations based in Tobruk and Tripoli. The challenge will be to sustain the "Rome format" and make it a recurrent forum for exerting political pressure on the Libyan parties and coordinating Western and Arab-Turkish positions.

Fresh interest from Europe: ISIS and migration

The first months of 2015 saw a revival of European attention to Libya, due to two factors: the growing threat from ISIS, and the skyrocketing number of migrants and refugees passing through Libya and into Europe. The two phenomena were often combined in the European media, with reports – often based on shaky or non-existent evidence – suggesting that jihadists would infiltrate groups of migrants and refugees in order to launch attacks in Europe.

This fresh interest in Libya comes with a limited understanding of the dynamics on the ground. The violence of summer 2014 not only destroyed most of what was left of the Libyan state, but gradually pushed all international entities out of the country. By mid-2015, all Western embassies had closed; even the UN does not have a permanent presence in Libya any more. There are a growing number of diplomats who are theoretically posted to Tripoli but have never been allowed to set foot there.

In part because of this shortfall in understanding, Europe runs the risk of looking at the country only through the prism of a security response to terrorism and migration. Europe's ad hoc initiatives on these issues could be counterproductive if they neglect the political dynamics that underpin them.

There has been increasing talk of Western military intervention in Libya since February 2015, when ISIS released a video showing the beheading of dozens of Egyptian Copts in the country. French Defence Minister Jean-Yves Le Drian had suggested in December 2014 that France was ready "to play its part" in fighting jihadists in Libya; the following year other European officials, particularly in Italy, seemed to take up the idea of renewed military action. The proposals for military intervention took different forms and referenced different objectives, often combined: providing a peacekeeping force in case of a national unity deal brokered by UN Special Representative Bernardino León; directly attacking ISIS, as in Syria and Iraq; and combating people smugglers and illegal immigration into Europe.

On migration, Europe's efforts to tackle people-trafficking fall far short of addressing the underlying causes. After hundreds of migrants and refugees died off the coast of Libya in a shipwreck in April 2015, the EU expanded search-and-rescue operations and created the EU Naval Force Mediterranean (EUNAVFOR MED). The mission was also tasked with combating people smugglers by seizing and destroying their boats. It was blocked from carrying out military action on the ground in Libya to destroy the assets of the traffickers, as the UN Security Council's October resolution on Libya only authorised operations in international waters.

However, smuggling – including people smuggling – is an ingrained part of the economy of most Libyan border communities. It is unlikely that these communities will end their involvement in criminal activities unless a feasible economic alternative is provided, which could be based on the legalisation of some of the trafficking businesses (the most obvious option would be to regulate those involving legal goods). Non-Arab border minorities such as the Tuareg and Tebu are politically marginalised, as shown by their exclusion from the constitution-drafting process after the February 2014 election. The drafting assembly was composed of 60 members, equally divided between Libya's three historical regions of Tripolitania, Cyrenaica, and Fezzan, with no representatives of the Tuareg or Tebu. Ultimately, the problem of people smuggling must be addressed not just as a security issue but also through political reform, by reversing the disenfranchisement of these minority groups, and through a realistic plan for economic development that doesn't rely solely on aid programmes.

Similarly, the security threat posed by ISIS can only be addressed by tackling the political and economic dynamics at its root: the political marginalisation of supporters of the former regime, some of whom are now reported to be supporting ISIS; the political and organisational links between some sectors of the Libya Dawn coalition and jihadist groups; and the high-density criminal scene and its relationship with jihadist groups.

Both the rise in illegal migration and the birth of ISIS are the result of the power void created by the Libyan civil war in 2014. The months ahead will reveal whether Europe has enough strategic patience to address these problems seriously, starting by filling the power void with a national unity government. In the meantime, any Western military intervention that precedes the entrenchment of the new UN-sponsored government would likely have a counterproductive effect: if the intervention went ahead without approval, the

government would be de-legitimised in the eyes of the Libyans; if it gave its approval to the intervention, it would strengthen the views of Libyans who see it as a mere tool for Western interference in the country.

An alternative approach

Faced with the daily anarchy and violence in Libya, there is a strong temptation to take a "security first" approach. Yet this would repeat a key failing of European policy between the fall of Gaddafi and the start of the civil war in 2014.

After 2011, European policy in Libya was based upon heavy doses of "local ownership", in reaction to the failures of the top-down approach in Iraq. This ran up against the limited capacity of the Libyan government to assess its needs, let alone to devise policies that international assistance could support. These failures should not lead Europeans to revert to a top-down approach, which would probably fail here as it did in Iraq. But it is up to the Europeans to get the agenda right, so that their discussions with a future Libyan national unity government focus on the correct priorities.

Economic development

Libya does not need development aid money, as it can count on dozens of billions of euros worth of cash reserves and assets accumulated thanks to the country's oil wealth. Because of the fighting, however, this wealth is shrinking. Libya's current economy, as devised by the Gaddafi regime and only tweaked by its successors, is actually a driver of conflict and violence.

First, the widely tolerated and politically powerful smuggling sector contributes to the conflict, as it facilitates the flow of weapons and drugs while boosting the power of criminal groups, which are almost always involved in political violence. Second, Gaddafi's Libya was no more than a rentier state. The regime exchanged the uneven distribution of largesse for political loyalty. After the fall of the regime, control of the sources of this largesse, notably the oil fields and institutions connected to the energy sector, became a key battleground.

The smuggling business is fuelling conflict, which in turn has transformed smuggling into the default source of revenue of Libya's war economy. Dialogue with border communities could start by drawing a clear line between the illicit trade of legal goods such as petrol or medicines on the one hand, and the smuggling of illegal goods such as drugs and weapons and the illegal exploitation of migrants on the other. The trade in legal goods should be

regularised, while that in illegal goods should be subject to law enforcement by the same border communities.

As for the oil wealth, this should be used to build the post-oil economy as part of a new social contract. Some young Libyan analysts have proposed the establishment of a "sovereign wealth account" instead of a "sovereign wealth fund", where every Libyan would be entitled to a share of the oil wealth to be used as collateral for loans to start new businesses. While the details of the idea need to be fleshed out (perhaps with EU help), it would have the advantage of eliminating most drivers of conflict over the oil wealth, and at the same time building the conditions for economic growth.

These reforms need to be agreed, finalised, and initiated by Libyans, but the EU and its member states can provide expertise as well as political mediation to facilitate economic reforms. Last but not least, if the separation between the two branches of the smuggling economy is to be taken seriously, some degree of European law enforcement against smuggling of arms and drugs will need to be provided while the Libyan side of the operation takes shape.

Political reform

Unlike Tunisia and Egypt, Libya has not yet approved a post-revolutionary constitution. After much dithering, elections for a Constitution Drafting Assembly (CDA) were held in February 2014. Turnout was extremely low and the body has been hampered by conflict. The CDA recently produced a draft but it is unclear whether this will carry any weight, given that the CDA has been unable to carry out consultations on the text and that Libya's three largest minorities (the Amazigh, Tebu, and Tuareg) have boycotted it.

More realistically, the UN agreement signed in Skhirat on 17 December 2015 provides ground rules that would allow the country's institutions to function for a while. Europeans could encourage Libyans to take this time to conduct a broader consultation on a constitutional draft while broadening its base of support, particularly among minorities.

Moreover, EU assistance for political reform should focus on building the safeguards for a functioning democracy, starting with the bodies that are necessary for accountability: an independent judiciary, media, and civil society. There is at present not a single functioning court in the whole of eastern Libya. The first town whose court was shut down was Derna, which

also happens to be the first place that ISIS established its presence in Libya.

Even more than other North African countries, Libya needs deep administrative reform of the state. Yet Europe must take stock of its past efforts in assisting reform at the level of the central government. A new government, like all other Libyan governments since 2011, will initially be ineffective in assessing its needs and implementing agreed plans. While Europe should not give up on administrative reform, it also should not over-burden the central government with expectations and demands. There is only so much that can be achieved in Tripoli, for now.

It may in fact be more important for the EU and its member states to provide expertise to local authorities, which have been strengthened by the de facto process of decentralisation that has taken place in Libya since the anti-Gaddafi revolution. More recently, local communities started to negotiate ceasefires between warring parties that have extended a web over most of western Libya, greatly improving the region's security. The Association of Netherlands Municipalities already has an assistance programme in place, while the European External Action Service (EEAS) has been at the forefront of the municipal dialogue, a track of the UN-led process.

Countries such as Germany, Spain, and Italy have a longstanding tradition of local government, which they should put at the disposal of Libyan local authorities to help them build security but also run public services, another method used by ISIS to infiltrate communities.

Security sector reform

Europe's main goals in the reform of Libya's security sector have always been to disarm militias, build up a central government with a national army, and secure the borders. Many of these goals must now either be reframed or put aside for the time being. Building a national army usually takes several years, in some cases up to 15. In Libya, it is complicated by the existence of militias that have a direct political role, without an intermediary group or political wing.

While it is up to the Libyans to decide how to build their security sector, Europe should determine its priorities carefully. First, functioning local authorities can have a much more significant impact on domestic security than a national army; if anything, any renewed attempt to set up new armed forces would restart the competition to head them and the fight over arms procurements. Second, as

in other parts of North Africa, it is crucial to establish strong and independent oversight of the armed forces and police – not just to protect human rights but also to improve the performance of existing structures. Europe can do a lot in this respect, as with political reform and accountability.

There is also the question of who should take care of security while a new security sector is built. In the past, there has been a discussion about a peacekeeping force being deployed to guarantee the safety of key government facilities and transport hubs, at the request of the new Libyan government. The UN Support Mission in Libya (UNSMIL), through senior advisor General Paolo Serra, is now pursuing negotiations with a different objective: a political agreement on security in Tripoli with key military actors ensuring the safety of the new government. In this scenario, outsiders (particularly Italy and the UK) would offer training and assistance to the nascent security forces in Tripoli. Outside Tripoli, security would be heavily dependent on local authorities (broadly defined to include tribal leaders and elders) along with a "coordination agreement" among existing forces to fight against ISIS, based on European mediation where necessary.

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