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## ALGERIA'S CAUTIOUS RETURN TO THE WORLD STAGE



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**The sharp increase in gas prices and France's withdrawal from Mali have boosted Algeria's international profile.**

**As Algeria returns cautiously to the world stage, the French and Algerian presidents are engaging in a serious strategic conversation. This dialogue is however complicated by France's reluctance to address the question of contamination from nuclear tests carried out in the Sahara in the 1960s.**

**The French military exit from Mali has seen regional countries – rather than the United States and France – taking the lead on enhancing security in the Sahel under the auspices of the Comité d'Etat Major Opérationnel Conjoint (CEMOC), which groups the army chiefs of Algeria, Mali, Mauritania and Niger.**

**Even so, Algeria is unlikely to be able to fully capitalise on France's departure and regain the influence, indeed the swagger, it enjoyed internationally in the 1970s and 80s. The reason: Algeria's failure to enact bold economic reforms, depriving the country of a much more vibrant economy.**

**T**he collapse of the Soviet Union in the 1990s and the 9/11 Al Qaeda attacks on New York and Washington forced US and European leaders to build a new security framework along the arc of crisis that stretched from the Baltic through eastern Europe and the Middle East to Morocco, and eastwards as far as Afghanistan. The decade between these two momentous events witnessed a civil war in Algeria which isolated the country from its North African and European neighbours. In his 20 years in office from 1999 to 2019, President Abdelaziz Bouteflika failed to return Algeria to the prominence it enjoyed for a generation after independence in 1962, when it was an important player in forums such as the Organization of the Petroleum Exporting Countries (OPEC) and the Non-Aligned Movement, and a key broker in the release of the US diplomats held hostage in Tehran in 1981.

### **Non-Alignment revisited**

Like other nations in the Global South, Algeria has begun to chart a course of its own. Until a year ago, the wheels of history had made Algeria's refusal to align with either Russia or America – a bedrock of its foreign policy and military doctrine since the days of the Provisional Government of the Algerian Republic (GPRA), which was disbanded in 1962 – look rather quaint. This is less true since Turkey has increasingly mapped out a diplomatic, military and economic path distinct from that of NATO, of which it is a member, while Saudi Arabia has built up OPEC+ with Russia in open defiance of American wishes. The manner in which Turkish President Recep Tayyip Erdoğan and Saudi Crown Prince Mohammed bin Salman articulate their countries' policies increasingly resembles the foreign policy music emanating from Algeria. This is not a revival of Non-Alignment,

Bandung-style. It represents what is best described as the *untethering* of countries which were closely allied to the US. They are no longer prepared to do America's bidding if they perceive their interests diverge from those of Washington. There are of course limitations, with Saudi Arabia, for example, remaining dependent on US security guarantees.

### **The EU misread the role of gas in the energy transition**

The war in Ukraine has accelerated the reshuffling of economic, diplomatic and security pieces on the international relations chessboard. Algeria, like Saudi Arabia, is riding high because of soaring hydrocarbon prices – exports of oil and gas earned the country an estimated \$60-70 bn in 2022. As the third-largest outside supplier of gas to the European Union (EU) after Russia and Norway, Algeria has garnered greater influence than at any time in recent memory, despite being unable to increase exports in the past year compared to 2021.

Since the turn of the century, and irrespective of the energy scenario, the EU underestimated the role natural

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gas would play in its energy transition. As a result, it has been scrambling to find other sources of gas to replace Russia since the EU's decision to cut imports because of the war in Ukraine. The EU decided to phase out oil imports from Russia after the latter's invasion of Ukraine. Russia cut gas to the EU unilaterally and erratically. The Europeans never announced a formal embargo on Russian gas and would arguably have continued to import gas from this source for a longer period, as, unlike oil, it is difficult to replace. Europe's problem is compounded by the fact that non-Russian gas producers will not, for the next three years at least, have much extra supply capacity. In addition, liquefied natural gas (LNG) is even scarcer than piped gas.

### **French regional influence declines**

Stability in the Sahel has been jeopardised by internal and cross-border conflicts since the fall of Libyan

dictator Colonel Gaddafi in 2011. Western officials have long said that their forces in Mali, Niger and other Sahel countries were fighting Islamic radicals. But in the ten years since French armed forces intervened to save the Malian capital, Bamako, local observers, old French hands in the region and most recently Algerian president Abdelmadjid Tebboune,<sup>1</sup> have pointed out that conflicts in the Sahel are more complex. The spread of radical Islam is only one of numerous problems that also include bad governance, conflicts between herders and settled farmers, drug running, drought and climate change.

When the Comité d'Etat Major Opérationnel Conjoint (CEMOC), the Sahel military committee, was created in 2010 at Algeria's initiative, France brushed it aside – the Sahel region was a traditional French zone of influence. A decade after it saved the Mali regime, the France has exited with little to show for its military interventions since 2013. This intervention opened the door to the Russian mercenary Wagner Group, a major French own goal. In a rare criticism of Russian policy in Africa, Tebboune argued that Wagner's money would be better spent on economic development than providing Mali with weapons. The ambassadors of Germany and the African Union,

alongside representatives of the permanent UN Security Council members, were present at the meeting in Algiers which endorsed the role of CEMOC, Germany and the African Union. The German presence symbolised the country's re-engagement in Africa, also in Algeria, where Germany ranks as the third-largest supplier of arms, not least

eight wheel-drive armoured vehicles which are partly manufactured in the north African country.

France's new-found willingness to pay greater heed to Algeria's security concerns speaks of a renewed realism in Paris that encourages Algeria's return to the northwest African region where the former colonial power's influence is dwindling. China has become Algeria's most important commercial partner and its second-largest weapons (drones) supplier, while also gaining market share in Tunisia, Morocco and sub-Saharan Africa. Turkish companies are ever more present in Algeria and Tunisia. Meanwhile Russia, whose comeback as a global power has been helped by the numerous Western missteps in the Middle East since the US invasion of Iraq in 2003,

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1. Interviewed in Le Figaro (30 December 2022).

continues to provide two thirds of Algeria's weapons, as it has since the 1970s. Strong disagreements between France and Italy over policy in Libya and the reluctant support of most EU countries for French operations in the Sahel since 2013 have reduced the diplomatic influence France and its EU partners once enjoyed in the broader northwest African region.

## The West misreads Algeria

Algeria is perceived in some Western circles as an ally of Russia and the erstwhile Soviet Union. Yet to regard the country's relations with the West as unflinchingly adversarial would be a "gross mischaracterisation". After all, Algeria developed its key oil, gas, mechanical and cement industries with loans from Western governments and banks and exports the bulk of its hydrocarbons to Western countries.

In 1960, Soviet leader Nikita Khrushchev told France's General de Gaulle that he favoured Algeria remaining in the French rather than American sphere of influence after independence. The USSR did not sell weapons to those Algerians who were fighting for independence between 1954 and 1962. Yet France refused sell weapons to Algeria in the following decade because the new state brandished its Third World credentials as a champion of the Palestine Liberation Organisation (PLO) which was viewed as "terrorist" at the time. Similarly, the EU refused to arm the Algerian military during the civil war in the 1990s. However, the US granted satellite access, which enabled Algerian security to prevent attacks on oil and gas fields by the Armed Islamic Group.<sup>2</sup> Meanwhile Algeria's continues to support the Polisario liberation movement in the former Spanish colony of Western Sahara and recognises the Saharan Arab Republic, alongside more than half the member states of the African Union. The international status of this territory is yet to be settled despite strenuous efforts by the United Nations who have tried to broker an agreement between the parties since 1975. This has put Algeria at odds with Morocco which continues to benefit from strong diplomatic support from the US, France and Spain. The United Arab Emirates and Saudi Arabia provide both diplomatic and financial support to the kingdom, whose security and economic ties with Israel are getting stronger every day.

2. According to interviews by the author with Colonel Fodil Saidi, head of the Department of Documentation and External Security (DDSE) 1993–1994.

Algeria continues to object to outside powers, whoever they may be, intervening militarily in Africa. Since independence and despite its massive weapons purchases in Russia, it has refused to allow Russian ships access to the naval base of Mers-el-Kebir on its western coast.

More surprisingly Algeria has failed to get offset clauses included in its weapons contracts. This is a policy that countries such as India have pursued for many years. It allows the buyer to build up his domestic know-how and manufacture spare parts. Algeria has recently shifted its position where German armoured vehicles are concerned. Italy and Turkey are believed to have recently offered offset clauses for weapons Algeria is buying from them.

## The Maghreb reappraises relations with France

Algerian commanders feared, rightly as subsequent events were to demonstrate, that a UN Security Council-mandated intervention in Libya in 2011 to protect civilians that morphed into a campaign to topple Gaddafi would spark a flow of arms from Libyan arsenals to radical Islamic groups in Syria and

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the Sahel. Two years later, the Algerian high command redeployed the bulk of its troops from the border with Morocco to the country's frontier with Libya, Niger and Mali in the south and the east following an attack in 2013 by the Libyan-based Islamist Armed Group – which is linked to Al Qaeda – on the eastern Algerian gas field of Tiguentourine. In addition, Algeria spent tens of billions of dollars on new air bases and defence systems.

Events after 2011 seemed to vindicate Algeria's conviction that regional conflicts require regional solutions – not just military but political too. Only time will tell whether the revival of CEMOC will offer a way out of the crisis. While Algeria has worked hard to remain outside the French, American and Russian spheres of influence, it must now contend with the presence of Russian Wagner mercenaries in Mali, complicating its efforts to find regional solutions with no external interference.

At the same time, Algeria's improved relationship with France may owe something to the fact France–

Morocco relations are going through a rough patch. King Mohammed VI knows he (or his dynasty) will outlive the French president and gambles that the alliance between the two countries is strong enough to survive current difficulties. Yet, French elites seem to fail to appreciate the growing bitterness felt by their North African counterparts at being taken for granted; while many ordinary people in North Africa object to what they see condescending treatment by Paris, and not simply where visas are concerned. This growing hostility towards France is a feature of politics across northwest Africa. The resentment many North Africans feel about France's "neo-colonial" behaviour complicates the formulation of a bold Maghreb policy in Brussels where France's voice carries weight.

It maybe that middle powers such as Algeria, Turkey and Saudi Arabia are simply following Lord Palmerston's characterisation of UK foreign policy in a speech to parliament in 1848: "We have no eternal allies, and we

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have no perpetual enemies. Our interests are eternal and perpetual and those interests it is my duty to follow." The EU's inability to agree on a common approach as European countries scrambled to source more gas from Mediterranean producers symbolised their lack of diplomatic and economic influence in the region. It marks the retreat of the EU from playing a decisive role in shaping relations between the two shores of the *mare nostrum*.

### **Italy strengthens economic ties with Algeria**

With a gas crisis looming in the autumn of 2021, Italy, dependant on Russian gas imports, was quick off the mark to engage with gas producers in Africa and the Middle East. Italy's first port of call was Algeria. Ente Nazionale Idrocarburi (ENI), the Italian state energy company, ensured that, by the end of 2023, the throughput of Algerian gas via the TransMed pipeline would rise from 21 billion cubic metres (bcm) to 30 bn. As things stand today, Italy is expected to receive 31 bcm of Algerian gas this year. As a result, every spare molecule of Algerian gas is going to Italy and France. Algerian gas exports this year are likely to be flat or might even decline slightly for the second year running due to a constant increase in domestic consumption fuelled by highly subsidised prices and the absence of exploration for new sources of gas. To address this, ENI

last year secured a \$1.5 bn contract with its Algerian counterpart Sonatrach to explore and develop new sources of gas, hydrogen, ammonia and electricity from renewable resources.

ENI has two strong cards to play in Algeria. Back in 1958–1962, the company's founder, Enrico Mattei, played a crucial role in advising the Provisional Government of the Algerian Republic in its effort to gain independence from France when France was attempting to prevent Algeria from gaining control of recently discovered Saharan oil fields. This helped cement political trust. The second card is the building in 1983 of the first ever underwater gas pipeline from Algeria to Sicily, an engineering feat that is a tribute to the sophistication of Italy's oil and gas industry.

The ENI deal cements Italy's role as the new Mediterranean gas hub to the detriment of Spain, whose relations with Algeria nosedived as a result of its changed position on Western Sahara. The crisis has cost Spain 85% of its exports to Algeria. Even so, Sonatrach ensured that its Iberian peninsula clients would receive all the gas they had contracted despite a decision a year ago to close the pipeline from Algeria to Spain. Spain's decision weakened Madrid's diplomatic hand just as the high price of gas enhanced Algeria's leverage.

Algeria has further strengthened its hand by insisting that a clause be inserted in all its gas export contracts which allows Sonatrach to change the currency in which it is paid (traditionally US dollars) to other currencies, most likely roubles and renminbi. In doing so, Algeria was hedging against the increasing US weaponisation of international sanctions. Algeria further insists that international companies that purchase its gas do not resell (typically for higher prices) to others.

### **Algeria's two vulnerabilities**

Irrespective of the quality of its army officer corps, the large amounts it spends on defence (with the budget expected to increase by 20% in 2023), and the quality of its diplomatic corps, Algeria's cautious return to the world stage will be slowed by the incapacity – some would say unwillingness – of its senior military officers to embrace desperately needed reform of the country's command economy. This allows civil servants, who do not understand modern economics and finance and are often corrupt, to stifle young entrepreneurs with a mass of out-of-date regulations.

Similarly, the military's refusal to allow even a modicum of free public debate increases Algeria's vulnerability. This was evident with the arrest on Christmas Eve of Ihsane El Kadi, the founder of Radio M and editor of the magazine *Maghreb Emergent*. It reminded Algerians of the death in prison six years earlier of the journalist Mohamed Tamalt after a three-month hunger strike and three subsequent months in a coma. Tamalt's was the first death in prison of an Algerian journalist since independence in 1962. Until 2016, the private press was remarkably diverse and openly oppositional within the limits and interests of various factions of the military / security apparatus. That safety valve has disappeared.

The absence of bold reforms of the oil and gas sector and of a thriving private sector, as well as the repression of freedom of expression and the media, and the endless run of incompetent older ministers have produced a parody as the regime "gradually takes on the traits of its most vicious caricatures" (Mallet, 1996). The sheer absurdity of so many Algerian bureaucratic rules is elegantly captured in a recent book (Farrand, 2021). The days when Algeria could act as a surrogate for the revolutionary masses, proxy for the progressive state and a model for the developing world have vanished into the mists of history. Algeria has condemned itself to significantly reduced influence compared to the 1970s and 1980s. Its return to the world stage is cautious because its leaders lack the confidence, let alone the vision, of predecessors such as presidents Boumédiène and Chadli and the ability to regain the country's erstwhile brash swagger.

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