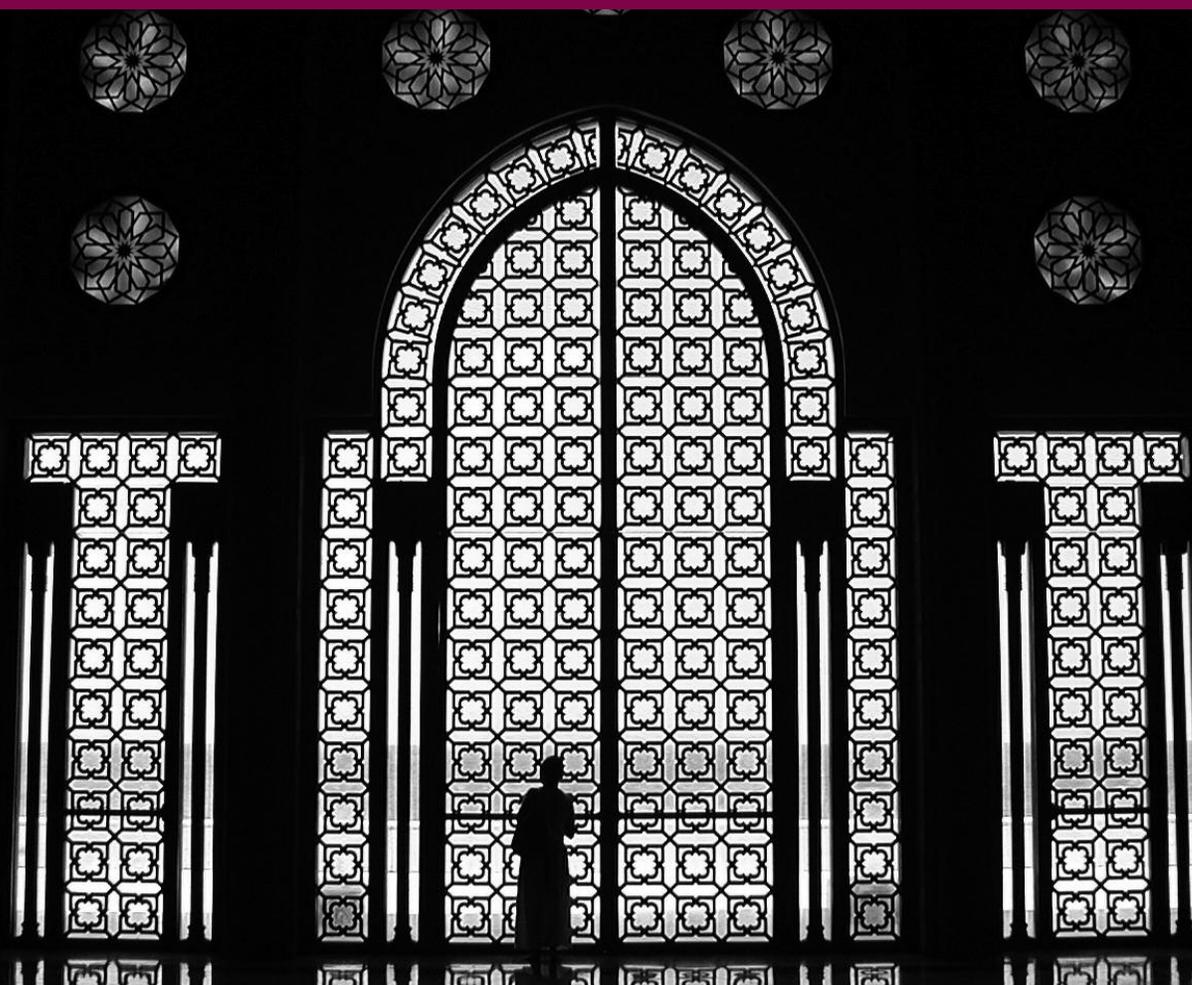


North Africa: New Challenges, Old Regimes, and Regional Security

Africa Program Working Paper Series

Claire Spencer

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Cover Photo: Silhouette of woman inside the Hassan II mosque in Casablanca, Morocco. © Stefan Tordenmalm.

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Foreword

IPI is pleased to introduce a new series of working papers on regional capacities to respond to security challenges in Africa. The broad range of United Nations, African Union, and subregional peacekeeping, peacemaking, and peacebuilding initiatives in Africa underscore a new sense of multilayered partnership in the search for the peaceful resolution of conflicts in Africa. As the total number of conflicts on the continent has been significantly reduced in the past decade, there is widespread recognition of the opportunities for a more stable and peaceful future for Africa. But there is also a profound awareness of the fragility of recent peace agreements, whether in Kenya, Liberia, or Côte d'Ivoire. Furthermore, continued violence in the Sudan, the Democratic Republic of the Congo, and Zimbabwe; the long absence of a viable central government in Somalia; and continued tensions between Ethiopia and Eritrea—to name only a few cases—reflect the legacy of unresolved historic disputes and ongoing power struggles.

The United Nations Peacebuilding Commission (PBC) has selected Burundi and Sierra Leone for its first efforts, and will shortly be addressing the security challenges facing Guinea-Bissau which has become a major transit point for narcotics traffic between South America and Europe. Yet, the impact of the PBC on promoting good governance and facilitating economic growth remains to be determined. In sum, progress toward sustainable peace and meaningful economic development in Africa remains checkered and uncertain.

On April 11-12, 2008, IPI and the Kofi Annan International Peacekeeping Training Centre co-hosted a meeting of African civil society representatives and academics in Accra, Ghana, to consider “Security Challenges in Africa: Regional Capacities to Respond”; and on June 1-3, 2008, IPI held a seminar in cooperation with the Austrian Ministry of Defense and the Austrian Ministry of European and International Affairs entitled “Coping with Crisis in Africa: Strengthening Multilateral Capacity for Peace and Security.” Each meeting sought to identify the most important trends facing the continent and to propose effective and far-reaching strategic approaches to meet the new challenges facing Africa in the twenty-first century. Five key points emerged from these discussions:

- 1) Multiple global challenges in a rapidly changing world confront Africa. No part of the globe suffers more from global warming; no population is more at risk from rising food and energy prices; and Africans are severely affected by the inequities of the current international trading system. At the same time, Africans must face the consequences of misgovernance, corruption, interstate and intrastate conflicts of the post-Cold War era, and the urgent need to repair or replace failed or failing states.
- 2) Which Africa—2008, 2020, or 2050? While addressing the crises of today, there is an urgent need to look into the future. By 2050 there will be an estimated 1.9 billion people on the continent. The pace of international change is accelerating, but the development of institutional capacities in the African Union and African subregional organizations to respond to new challenges remains challenging and slow. How can the strengthening of these capacities be accelerated? How can comparative advantages among international, continental, and subregional organizations be identified and strengthened?
- 3) Whose Responsibility? Negotiating the proper balance between the responsibility of the state and the responsibility of the international community in the face of intrastate ethnic violence remains a topic of vigorous discussion. Yet, it is now widely accepted, in the aftermath of the tragedies of the 1990s, that the international community cannot simply stand aside in the face of genocide, war crimes, ethnic cleansing, and crimes against humanity. The AU Constitutive Act of 2000 established the right of intervention by the Union to stop genocide, war crimes, or crimes against humanity occurring in one of its member states. And

in September 2005, a summit of world leaders endorsed the concept of the Responsibility to Protect (RtoP). But RtoP is not primarily about military intervention. The idea of “sovereignty as responsibility” puts the stress on building the capacity of states to prevent these crimes and violations in the first place. All states need to be responsible for the safety and wellbeing of their populations, but if they manifestly fail to do so, the broader international community must act. The ongoing violence in Darfur and the difficulties in the deployment of UNAMID (African Union/United Nations Hybrid Operation in Darfur) reflect how difficult the transformation of words into deeds remains. What more needs to be done to give the African Union, the regional economic communities, and African states the capacity to implement these commitments? And what can international actors do to assist them in this regard?

- 4) **New Actors, Old Conflicts: Key European states, the European Union, and the United States have evinced new interest in strengthening African conflict management capacities. At the same time, China and India, the new actors on the continent, are making major investments in African infrastructure and economic development. While cognizant of African perceptions, arising from Europe’s colonial past in Africa, there is an opportunity to forge new partnerships based on contemporary realities. To what extent can these divergent interests be harmonized? To what extent can historic suspicion and distrust be replaced by cooperative agendas based on a common interest in ending old conflicts and producing sustainable economic agendas?**
- 5) **Peacekeeping is Not Enough—Creating the Bridge to Peacebuilding: Deployment of UN and African Union peacekeepers to address ongoing conflicts is important but insufficient to meet the challenges ahead. Nor is governmental and international institutional engagement sufficient. The agenda for postconflict reconstruction will be long and arduous. Incentives and encouragement—material and moral—should be created for the involvement of African civil society, international nongovernmental organizations, and the African diaspora in the future of the continent. This will require new openness on the part of the African Union, regional economic communities, and African governments, as well as on the part of outside actors.**

Many if not all of the most critical challenges to human and international security today have particular relevance to the African continent. Africa’s future will be directly affected by the ongoing international debates over climate change and food insecurity; over how to respond to increased population pressures and the demands of international migration; and over the global impact of the health pandemics that have taken an enormous economic as well as human toll on the continent.

These papers form a part of the IPI Africa Program’s four year initiative of research and policy facilitation intended to generate fresh thinking about the multiple challenges facing the African continent in the coming years and decades. Each of the five papers in this series seeks to address one or more aspects of the issues outlined above from the perspective of challenges facing one particular region: North Africa, Southern Africa, Central Africa, Eastern Africa, and West Africa. Yet as the series illustrates, there are many commonalities among the crises and challenges in each region. It is my hope that as you read this paper, and the others in the series, you will give thoughtful consideration to how all of us can best contribute to strengthening African continental and regional capacities in the interest of Africa itself and its many friends around the globe.



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Introduction and Summary

North Africa is often loosely defined, but for the purposes of this paper, it encompasses the states of the Arab Maghreb Union (Algeria, Libya, Mauritania, Morocco, and Tunisia) together with Egypt.¹ With the exception of Mauritania, this group of states lies on the northern littoral of the African continent, between the Mediterranean Sea to the north and the Sahara to the south. This contiguity, however, has not automatically made for a cohesive region; differences between political and economic trajectories have overridden the social solidarities that still unite the peoples of North Africa.

The core regional states of Morocco, Algeria, Tunisia, and Libya share an Arabo-Berber heritage and the legacy of the predominately French linguistic and administrative practices of the protectorate and colonial eras. By contrast, the ethnic make-up of Egypt (Arabic, Hamitic, and Nubian) places the largest state of the region, of some 76 million people, apart from the “Maghrebi” heartland. Egypt has also variously been a leader of Arab nationalism and a key player in attempts to resolve the Israeli-Palestinian conflict, and thus looks toward the Middle East more than it does west or south to its neighbors in Africa.

What all these states, and the region as a whole, face over the next five to ten years is a series of old and neglected issues of a structural nature, combined with newer, less manageable challenges arising largely outside their control. Climate change, soaring energy and food prices, and an unprecedented range of influences and pressures arising from globalization have all highlighted the weaknesses of the region’s current models of development. None of them are equipped to absorb unforeseen change quickly.

In Egypt, for example, 95 percent of the popula-



Map of North Africa and the Middle East.

tion lives on 5 percent of the land, barely five kilometers to either side of the River Nile. With population levels due to rise to around 106 million by 2030, the longer-term stresses this places on Africa’s largest city, Cairo, are already evident. In Morocco, just under 50 percent of the population survives by subsistence farming, almost totally disconnected from the modern coastal economies developing in Casablanca and Rabat. In oil-rich Algeria, which derives over 98 percent of foreign earnings from oil and gas exports, domestic industrial and agricultural production still languish from underinvestment. In neighboring Libya, where the population is 6.3 million, compared to Algeria’s 34.7 million, the recent oil boom has maintained public expectations that hydrocarbon revenues will provide for the most basic needs of citizens.² None of the region’s education systems have kept pace with the demands of a modern economy, while foreign workers, largely from sub-Saharan Africa and China, have taken the low-paid, unskilled jobs of the construction boom currently transforming Libya’s capital, Tripoli.

1 The Arab Maghreb Union (UMA, by its French acronym) is a loose network formed in 1989 to promote regional cooperation across the western-most states (hence “Maghreb” in Arabic) of the Arab world. Egypt lies outside definitions of the Maghreb, as it falls more closely within the geopolitical logic of the Levant to its east (the “Mashrek” in Arabic).

2 The population of North Africa, as of mid-2008: Mauritania 3.2 million; Morocco 31.2 million; Algeria 34.7 million; Tunisia 10.3 million; Libya 6.3 million; and Egypt 74.9 million. See Population Reference Bureau, “2008 World Population Data Sheet,” 2008, available at www.prb.org/pdf08/08WPDS_Eng.pdf.

The region's leaders have hitherto relied on the quiescence of the majority of the population in managing command economies which vary greatly in style, but which share similar configurations. From the monarchy of Morocco to the all but single-party state of Egypt, small groups of centralized elites command disproportionate control over the generation and internal distribution of resources, which are still largely state-owned. In Algeria, and less visibly in Egypt, the military is the principle defender of the status quo. The military provides the backbone of political systems that have relied on created cultures of dependency, where the state has been the main provider of jobs, social investment, and services. Elsewhere in the region, this role is played by the police and state security services, which regularly monitor and contain dissent, while also tying large numbers of officials to jobs that depend on unquestioning loyalty to the state.

The role of the *l'état providence* ("all-providing state") has come under increasing strain in recent years, and modifications have become unavoidable. Economic reform programs undertaken since the 1980s have made considerable inroads toward stabilizing public finances, in reducing public debt, and liberalizing trade with international partners. North Africa's economies have also opened up to local and international foreign direct investment through privatization programs and joint ventures in certain sectors of the economy, above all, energy, infrastructure, tourism, and telecommunications. As a result, regional growth rates are now a healthy 6 percent per annum and rising, and only Mauritania remains largely dependent on foreign aid, with around half of its population of 3.2 million living below the poverty line.³ The risks for the remainder of the region, however, can readily be seen in the accentuation of essentially dual economies: of capital cities and coastal developments that service a newly enriched class of state-linked entrepreneurs and beneficiaries, and an economic hinterland that coexists with, but benefits little from, new levels of conspicuous consumption.

This situation highlights a longer-standing set of dissonances in each state's structure and develop-

ment paths that are unlikely to be managed through short-term means. Yet, from the outside, and with violent trends attracting attention elsewhere in Africa and the Middle East, the states of North Africa are often perceived as beacons of calm, upset only by the disturbing incidence of terrorist attacks across the region since 2003. This means that the interest shown by Europe and the US in the political and economic stability of these states tends to focus on the issues closest to their own preoccupations, above all on the secure supply of energy (gas and oil) from Algeria, Libya, and to a lesser extent, Egypt and Tunisia, and in the rise of Islamist activism and migratory trends toward Europe. What this prism has tended to overlook are the longer-term risks of more structurally-rooted instability, in which human security issues are already coming to the fore and are likely to become more acute in coming years.

Key Challenges to Human and International Security

There are a number of reasons why North Africa may be on the verge of a more seismic shift from the context and factors which have shaped the independent existence of North African states over the past half century. The key prescriptions of the last forty years have remained remarkably stable until now, and have shaped the narrowly defined and guarded parameters of the official state apparatus. However, the very durability of these systems raises questions about the capacity and preparedness of regional elites to address the multifaceted consequences of excluding public participation in the past. The hope that belated social investment programs planned over the next five to ten years will redress the balance is a high-risk approach, especially given the alternatives waiting in the wings.

UNBALANCED DEVELOPMENT

North Africa has largely emerged from the cycle of indebtedness and sluggish political and economic reform characteristic of the 1980s, to a more stable macroeconomic position twenty years on. For Algeria, this has been due to its recovery from the slump in hydrocarbon prices from the mid-1980s,

³ Reuters, "Aid may boost Mauritania economic recovery," February 1, 2008, available at <http://uk.reuters.com/article/oilRpt/idUKL0161759520080201?pageNumber=2&virtualBrandChannel=0>

and in the case of Libya, from the UN and US sanctions regimes of the late 1980s, lifted in 2003 and 2004 respectively. For the non-oil and gas exporting economies (above all, Morocco), economic diversification, removing trade barriers, and improving fiscal transparency have all been necessary to ensure flows of international credit and liquidity. All of North Africa, with the exception of Libya, was obliged to make recourse to one or both of the International Monetary Fund (IMF) and the World Bank in the 1990s, as well as to respond positively to the European Union's own regional reform initiatives, above all the Euro-Mediterranean Partnership (EMP) launched in November 1995.

One consequence of this has been to perpetuate the structural and economic dependence of the region on Europe, with which all of the states of the Maghreb have had commercial relations accounting for over 75 percent of their trade until recent years. Given the proximity of North Africa to Europe and the European Union's (EU) increasingly structured policy frameworks, such as the EMP, to encompass the states of North Africa within its hinterland or "neighborhood," the EU has effectively acted as the region's hegemon. The external energies of governments have focused on managing the relationship with European partners, often in competition with each other. Structurally, and despite differences in their resource profiles, North Africa's economies have developed like "spokes of a wheel" emanating from and servicing the much larger import and export markets of Europe, with only 3 percent of regional trade taking place between North African states, and considerably less with their sub-Saharan African neighbors.⁴

In recent years, largely through attracting investment from the buoyant economies of the Gulf, as well as the US and China, North Africa's policy establishments have attempted to assert a greater independence of action in relation to Europe. Even though non-European investments have increased exponentially across the Mediterranean region over the past few years averaging \$50 billion for 2006

alone, against the total for the EU's whole Euro-Mediterranean Partnership of €5.9 billion (\$9.2 billion) for 2000-2007⁵—this new influx of capital has not focused on engineering wider social benefits. Rather than upgrading education systems and creating employment, as envisaged by the EU, this bilateral investment targets large-scale infrastructural projects, tourism, and the energy sector, which primarily benefit the regimes in place.

The hydrocarbon exporters have also built up impressive foreign currency reserves of \$130 billion or more, as locally reported in the case of Algeria. They continue to focus on expanding domestic oil and gas production, at the expense of liberalizing and diversifying their economies to absorb surplus labor. Much of their new wealth, expected to reach levels above \$150 billion by 2010, is being invested overseas to strengthen their international position. Libya, for example, is the first North African state to establish a Sovereign Wealth Fund, alongside the models already established by Singapore, Kuwait, and the UAE.⁶ For the purposes of building more dynamic local economies, however, infrastructural deficits, in terms of road, rail, and commercial links across North Africa, as well as local housing and social needs, are only being belatedly redressed, at rates insufficient to meet both current and future needs. The combined visibility and inaccessibility of tourist complexes, free trade zones, and Gulf-funded villas for the new rich, has merely emphasized the exclusion of the majority of the population, even where access to mobile telephones and the internet has spread rapidly in recent years.

The majority of North Africa's population is still employed, or underemployed, in the traditional economy, namely subsistence farming, large-scale and uncompetitive state industries, and over-staffed public sectors. Previously successful areas, such as textiles in Egypt, Morocco, and Tunisia, have also suffered from the phasing out of the Multi-fibre Agreement, and now have to specialize and upgrade with smaller workforces to survive Chinese competition. At both ends of the scale, the gaps have become accentuated: the traditional

4 See UN ECA (Economic Commission for Africa) Office for North Africa, "Twenty-First Meeting of the Intergovernmental Committee of Experts," Rabat, Morocco, April 4-6, 2006, available at www.uneca.org/sros/na/documents/Trade.pdf.

5 See Annex II "EU Financial Support to the Barcelona Process," p.12 in Commission of the European Communities, "Communication from the Commission to the European Parliament and the Council," Brussels, May 20, 2008, available at http://ec.europa.eu/external_relations/euromed/com08_319_en.pdf.

6 See Roula Khalaf "Libya starts to deploy \$40 bn fund," *Financial Times*, October 17, 2007, available at www.ft.com/cms/s/0/c4bd32be-7cd2-11dc-ace2-0000779fd2ac.html. For foreign currency reserves, see Central Intelligence Agency (CIA), "World Factbook: Rank Order - Reserves of foreign exchange and gold," 2007, available at www.cia.gov/library/publications/the-world-factbook/rankorder/2188rank.html. At year end 2007, Algeria is estimated to have had \$110.6 billion in reserves, Libya \$69.6 billion, both of which rose significantly during the first half of 2008. Future estimates will be affected by the fall in world oil prices.

middle classes—in health and education, public administration, and the limited private sector—have all seen their purchasing power diminish, often quite sharply, in recent years. At the lower end, poverty remains endemic, especially in rural areas. According to a household survey of 2004–2005, 40 percent of Egyptians (28 million people) live in poverty, and 19.6 percent (13.6 million people) live in absolute poverty, unable to satisfy their basic needs.⁷ In between, the bulk of the workforce has begun to react to price rises and the lack of job security. A series of unauthorized industrial and general strikes forced President Hosni Mubarak of Egypt to announce a 30 percent increase in basic salaries in May 2008.

Across the region, the dependency on models of import substitution inherited from the 1960s has left the traditional sectors of the economy, above all agriculture, largely untouched.

Since early 2008, as elsewhere in Africa, the region has witnessed riots and demonstrations over the rising cost of bread, where domestic wheat production barely meets 50 percent of local needs. In 2007, Algeria, Morocco, and Egypt alone imported 15 percent of all global imports of wheat, placing them among the world's ten largest wheat importers, at a time when the price rose 30 percent over the previous year.⁸ For years, the most basic foodstuffs—cereals, sugar, and vegetable oils in particular—have been imported, since they have been cheaper to buy on world markets than to produce locally. This premise is now being challenged both from within and outside North Africa, at a time when the Mediterranean as a whole is estimated to need to sustain growth rates of 7–8 percent per annum over the next fifteen years to create 22 million jobs, just to maintain current levels of unemployment.⁹

In the short term, palliative measures have deflected funds earmarked to stimulate future domestic growth toward recurrent expenditure and have stalled plans to lift costly state subsidies. At the same time, the rapid increase in wealth and

incomes of central state agencies, political elites, and their beneficiaries has also come under closer scrutiny. Under personalized leaderships, the lack of autonomous state structures still means that much internal distribution is subject less to market forces than to practices lacking in transparency and perennial accusations of elite-led corruption. The private sector is also largely derivative and small and acts as an obstacle to tackling further microeconomic reform. Even if leaders sought to divest themselves of overall control of the economy, which remains in doubt, genuine economic liberalization would require them to upset a far wider range of vested and politically significant interests than the institutional and regulatory reforms already undertaken at the macroeconomic level.¹⁰

Most governments have relied on managing public sector wage and employment claims through patronage and overemployment in the public sector. They have also tolerated the growth of informal sectors to absorb the unemployed. Even where the parallel economy generates the equivalent of 40 percent of the official economy in Algeria, youth employment poses an increasingly volatile problem. Despite falling birth rates, an estimated 90 percent of fifteen to twenty-nine year olds in Egypt, and 75 percent of the under-thirties in Algeria, are officially unemployed. This youthful and largely neglected hinterland poses newer challenges to state control, not least since many are drawn into the region's expanding circuits of illegal trafficking—in drugs, migrants, armaments, and other black-market goods—as well as toward some equally dangerous political equivalents.

POLITICAL CHALLENGES

The period since the 1980s has seen constitutional changes designed ostensibly to respond to both internal and external demands for democracy. The external economic assistance offered by the European Union came in a package of measures, or “baskets,” which included regional undertakings to improve human rights observance and engage in democratization. Even before this, Algeria started

7 Organization for Economic Cooperation and Development (OECD), “Perspectives Economiques en Afrique – Egypte,” 2008, p.300, available at www.oecd.org/dataoecd/4/21/40569139.pdf.

8 International d'Hautes Etudes Agronomiques Méditerranéennes, “Statistics for Wheat,” *CIHEAM (Centre) Watch Newsletter 5* (Spring 2008), p.9, available at www.ciheam.org.

9 Institut de la Méditerranée, *Rapport du Groupe d'experts réuni par l'Institut de la Méditerranée sur le projet d'Union Méditerranéenne*, October 2007, p.3, para.23, available at www.ins-med.org/publications/publications/unionmed/experts_um_fr.pdf (also available in English).

10 Francis Fukuyama cited in Gonzalo Escribano and Alejandro V. Lorca, “Reforma económica en el Magreb: de la estabilización a la modernización,” Documento de Trabajo, Real Instituto Elcano, January 22, 2007, p.17.

on the path of political liberalization before its neighbors, following a series of nationwide riots provoked by shortages of basic goods and a sharp rise in prices in 1988. The democratic experiment of the first multiparty elections held from 1990 to early 1991 was short-lived when the specter of an elected government led by the main Islamist opposition movement, the Islamic Salvation Front (FIS), precipitated the intervention of the Algerian army. The remainder of the 1990s was beset with violence, as Algeria's security forces engaged in an underground battle with armed Islamist militias which came to replace the outlawed FIS. Over ten years, between 100,000 and 200,000 Algerians died in the violence, many of whom have yet to be accounted for.

The regional consequences of Algeria's protracted struggle were defensive and two-fold: in neighboring Morocco, the monarchy of King Hassan II (1961-1999) staved off the risk of political contamination by opening the political arena to a wider range of political actors, stopping short of grassroots Islamist opposition movements, but allowing more open political elections and a transitional government made up of known establishment political opponents. In Tunisia, Egypt, and Libya, the Algerian experience had the opposite effect, namely, to intensify the official clampdown on political dissent in general and Islamist movements in particular. In Mauritania, similar approaches were tried by President Maaouya Ould Sid'Ahmed Taya, but resulted in his overthrow by military coup in 2005. After a brief period of democratic rule from 2007, the elected government of President Sidi Ould Cheikh Abdallahi was overthrown by the military in August 2008, pending the promise of a return to an electoral process.

With the passing of Algeria's ten-year "civil war" by 2002-2003, and the lifting of international sanctions on Libya, regional leaders have sought to capitalize on the significant improvements in North Africa's macroeconomic health and consolidate external partnerships. The result has been to slow, and in some cases, reverse the moves toward political reform, further distancing regimes from

their populations. Rather than opening space for political debate, electoral processes are now seen as merely reformulating existing systems based on the cooption and/or exclusion of opposition movements. Despite nominal openings to other political forces, the parliaments of Tunisia, Egypt, and Algeria are dominated by the traditional single parties that once served to liberate the state from foreign colonial rule. Their role now is to bolster what some analysts have described as a "reinvent[ion] of authoritarianism...to give the impression of political change without any true devolution of power."¹¹

Since September 2001, both European and US policy toward the region has been highly influenced by the Bush administration's "global war on terror" (GWOT). At both domestic and regional levels, the GWOT has given US alliances in North Africa a new lease on life, geopolitically speaking. The regimes of the region have all risen to the challenge of defending both themselves and their external alliances from the rise of militant Islamism. Egypt, in particular, has seen its previous US subsidy of \$2 billion per annum enhanced by an extended assistance agreement of \$13 billion over ten years, in recognition of the strategic role the Mubarak presidency plays.¹² Algeria, in turn, has reformed a dwindling alliance with the US in aligning its own internal struggle against terrorism with the global fight against al-Qaida and its affiliates. Morocco has secured a free trade agreement with the US, which at the symbolic level at least, surpasses any of the commercial agreements so far concluded with the European Union. Even Libya, subject to both UN and US bilateral sanctions in the wake of the Lockerbie disaster of 1988, has reemerged as a key player in the US's regional strategic vision.

The main risk over the next few years is that a combination of unmet expectations and the impoverishment of key sectors of the population will lead to higher levels of spontaneous and unofficial opposition. Signs of this are already in place: according to recent reports in Algeria, average standards of living dropped by 59 percent between 1985 and 1995, and have continued to drop since, as salaries have lagged behind the rising cost of

11 See Malika Zeghlal cited in Center for Strategic and International Studies (CSIS) Conference Report, "Building Stability in North Africa: Prospects and Challenges," January 2008, available at www.csis.org/media/csis/events/080117__maghreb_conference_summary.pdf.

12 US State Department, "Assistance Agreements with Gulf States, Israel, and Egypt," Statement by Secretary of State Condoleezza Rice, Washington, DC, July 30, 2007, available at www.state.gov/secretary/rm/2007/89600.htm.

living.¹³ The incidence of riots over housing shortages, deficiencies in infrastructure, and inflationary pressures on basic goods has increased, while strikes over salaries and working conditions have become commonplace in the education and health sectors. In Egypt, 222 “wildcat” strikes, factory occupations, and demonstrations took place in 2006, followed by 580 similar actions in 2007, according to local reports.¹⁴ In Morocco, unrest has yet to hit the countryside, where up to 80 percent of women are illiterate,¹⁵ but it is new rural migrants to the ghettos of urban poor who most threaten to unsettle social harmony. And with mounting signs of civil disturbances, the same risk factors apply to Libya and Tunisia, where monitoring and the control of security forces over public unrest are tighter.

Most regional leaders argue convincingly to their international partners that opening political systems to the kind of Islamist-inspired opposition movements that thrust Algeria into violence in the 1990s needs to be handled with caution. Their cooptation and/or exclusion is thus necessary for the purposes of both national and international security. This explains the official rejection of Muslim Brotherhood candidates from general elections in Egypt in 2005, in which they nevertheless won 88 of 454 seats running as independents. The continuing exclusion of other political alternatives from the formal political system runs the danger of encouraging more extrasystemic opposition in coming years, including the appeal of radical forms of Islamist activism.

ISLAMISM AND THE THREAT OF TERRORISM

Largely symptomatic of the growing distance between elite and popular politics is the growing appeal of Islamic and Islamist alternatives to the largely secularized, and pro-Western models of regime politics. Even in Morocco, where the king enjoys religious as well as dynastic and secular authority, the growth of a diverse set of grassroots and populist Islamist movements represents a direct challenge to monarchical rule. But more than that, it challenges the legitimacy of whole systems in which Islamic traditions of social justice are no

longer perceived as central to both political and economic governance in their broadest sense, regardless of who is in power.

The current rise of Islamist sociopolitical resistance to the rapid changes occurring across North Africa is part of a series of longer-standing and often cyclical trends and responses to external influences. The Muslim Brotherhood, for example, was formed in 1928 and has long been a significant opposition force in Egypt, despite the periodic detentions, trials, and death sentences passed on its leaders. A major motivating force behind the current revival of support for the Brotherhood and other regional Islamist movements is the strong alliances formed between regional leaderships and the US and EU since 2001. Using external means of support (above all foreign direct investment, military assistance, and intelligence cooperation), the region's governments are popularly perceived to be promoting the political and economic interests of their international partners over local needs, in ways readily exploited by their Islamist opponents, including those close to or affiliated with al-Qaida.

While the jihadist extreme is most evident and destabilizing, by far the largest trend of those turning to Islam is essentially conservative in nature. As seen in the growing adoption of the veil by women, it largely concerns the protection of identities. The grassroots spread of Islamism is likely to continue to make inroads where the kind of social solidarities that have largely mitigated economic deprivations in the past have been fragmented. The rise in the influence of al-Qaida and related terrorist attacks in North Africa can in turn be traced to networks operating out of conflict situations further east, and to networks in Europe. The introduction of new technologies, above all sophisticated explosives, and methodologies of terrorism, such as suicide bombing, are hallmarks of al-Qaida, even if recruitment to local terrorist networks remains limited and still focused on national, rather than regional or international, targets. As in the early 1990s, foreign companies and their workers have been targeted in Algeria, in an apparent attempt to damage this line of support to the government.

13 Safia Berkouk, “Les ménages ne perçoivent que 31% des richesses du pays,” *Le Jeune Indépendant* (Algeria), January 15, 2008, available at www.algeria-watch.de/fr/article/eco/soc/richesses_pays.htm.

14 Joel Benin, “Work is Politics”—Egypt: Bread Riots and Mill Strikes,” *Le Monde Diplomatique* (English edition), May 2008.

15 See United States Agency for International Development (USAID), “Middle East, Morocco,” available at www.usaid.gov/locations/middle_east/countries/morocco/.

What is new is the socioeconomic profile of activists, which has broadened in recent years to encompass businessmen and middle class professionals, who might otherwise be expected to engage in the official political system.¹⁶ Since the renewed clampdown on the Muslim Brotherhood in Egypt following the 2005 elections, the movement has been working outside mainstream politics to influence society from within. Despite enjoying less than universal support, Islamists enjoy a comparative advantage over established governments and secular opposition parties, neither of which have a comparably compelling political vision or ideology to offer the region's populations. Where nationalism and patriotism have given place to blatant political inequalities, identity politics across a broad Islamic spectrum is likely to continue to fill the void.

REGIONAL PRESSURES

Politically, and despite the continuing conflict over the Western Sahara, this is not a region in which state boundaries have been bilaterally disputed beyond the early years of sovereign rule. Still less have opposition movements challenged the integrity of the state from within, beyond demands for greater local autonomy on the part of minority populations. The region's Berbers, representing around 50 percent of the population in Morocco and 20 percent or more in Algeria, have been active politically in support of their rights as citizens of their states of origin, but not in promoting secession. The main exception is Mauritania, where the mix of Moorish, Arab, and sub-Saharan African ethnic groups has frequently caused ethnic tensions spilling over into occasional violence, as well as border-access disputes with neighboring Senegal and Mauritania's 1970s claim, now withdrawn, to share the Western Sahara to its north with Morocco.

North Africa's main dispute, over the future of the Western Sahara, only now impacts Algeria and Morocco directly, but it overshadows the limited progress made since 1989 to consolidate a regional union of North African states. The essence of this

territorial conflict relates to the sudden withdrawal in 1975 of the residual colonial-era Spanish administration over the Western Sahara, claimed as sovereign territory by Morocco and as an independent state in the making by the Polisario Front, backed by Algeria. The resolution of the conflict, thirty-three years on, remains the subject of a longstanding, if limited, United Nations mission (UN Mission for the Referendum in Western Sahara, [MINURSO]), with the objective of fulfilling a series of UN Security Council mandates to organize and oversee a referendum of the local population in conjunction with the parties to the dispute.

In the intervening years, the initially armed conflict over the territory has given way to a protracted negotiating process, which at the time of writing showed few signs of leading to a concrete settlement on the ground. Analysis by the International Crisis Group suggests that this is largely because the UN has compromised its own neutrality in the face of Moroccan proposals to create an autonomous region for the Western Sahara under overall Moroccan sovereignty. The impact has been to harden the positions of both Algeria and the Polisario Front in favor of the self-determination of the local population, the composition of which is also the subject of protracted dispute.¹⁷

While it is highly improbable that the Western Sahara will escalate again into armed struggle (despite Polisario threats to take up arms again), it is likely to compound the preexisting rivalries between Algeria and Morocco. Without the participation of these central players, the prospects for responding to pressure from the US and EU to create a larger regional market are limited, as are the prospects for the region conferring over more than limited mutual security concerns in periodic meetings of the Arab Maghreb Union (AMU). The AMU was initially envisaged to achieve a whole range of regional initiatives, including the construction of the much-delayed Trans-Maghreb highway planned to promote intraregional commercial

¹⁶ See, for example, reports that recent terrorism-related arrests in Morocco included a Belgian national of Moroccan descent, local politicians, businessmen, and professionals: Sebastian Rotella "Moroccan crackdown on terrorists shows converging threats," *Baltimore Sun*, March 2, 2008, available at www.baltimoresun.com/news/nation/bal-te.morocco02mar02,0,493364.story.

¹⁷ See Crisis Group reports, "Western Sahara: Out of the Impasse," and "Western Sahara: The Cost of the Conflict," June 11, 2007, available at www.crisisgroup.org/home/index.cfm?id=5236&l=1 and www.crisisgroup.org/home/index.cfm?id=5235&l=1, respectively.

exchanges beyond the current low level of less than 3 percent of North Africa's total trade.¹⁸ It may be convenient to attribute AMU's failure to the Western Sahara, but in practice, differences between Morocco and Algeria have kept their shared border closed since 1994 and pitched them into competition over attracting foreign direct investment and security alliances. This rivalry is likely to continue, even if it does not directly pose a regional security threat in itself.

ENVIRONMENTAL AND HUMAN PRESSURES

Of a different nature are the environmental and human stresses which each state has been facing in varying degrees since the 1990s. These include managing the socioeconomic consequences over the next twenty years of the demographic bulge from previously high birth rates, followed by a period of flat demographic growth. The pressure for employment will be most intense over the next couple of decades, for which the World Bank has estimated that sustained growth rates of 5 percent per annum or more will be needed consecutively over the next twenty years for these economies to reach the lowest OECD (Organization for Economic Cooperation and Development) levels of per capita income.¹⁹

The existing pressures of North Africans migrating to Europe in search of work have been intensified by the use of North Africa as a transit zone for sub-Saharan migration, and by the increasing restrictions placed by Europe on legal migration across the Mediterranean. An estimated 65,000 to 120,000 sub-Saharans per annum cross the Sahara, of which 70-80 percent pass through Libya seeking a passage to Europe.²⁰ To a large extent, North African governments have been shouldering the burden of policing Europe's borders in recent years. In 2005, incidents at the Spanish-held enclaves of Ceuta and Melilla over the treatment of sub-Saharan migrants seeking passage through Morocco into Europe led to a swift deteri-

oration in Morocco's relations with Spain. Pressures on Europe to alleviate restrictions and share financial and other responsibility for managing migration continue.

While more European Union assistance has been forthcoming to train and fund local officials to manage the burden, North Africa's cooperation over border security with African neighbors, above all Niger and Mali, has also increased and is likely to continue, in ways which could place diplomatic as well as financial strains on bilateral relations. Since much of the movement of peoples is linked to illegal trafficking, the humanitarian aspects of individual and collective migrant cases also run the danger of becoming increasingly subsumed by security imperatives in coming years. The ability of transit economies to provide for higher levels of sub-Saharan migration will also be strained by the impact of environmental pressures on domestic capacity.

Despite extensive efforts to diversify away from an agriculture-based economy, Morocco's annual growth rates are frequently affected by drought: in 2005, real growth rates dropped 6.1 percent to 1.7 percent due to lack of rainfall.²¹ Algeria, too, has been beset by earthquake damage and floods, with a death toll of 1,000 in the urban floods of 2001 and the displacement of 50,000 refugees on the Saharan border due to freak rains in 2006.²² In addition to claiming immediate victims, the lack of local planning and reconstruction capacity may provoke more than the sporadic protests seen in Algeria after the loss of housing due to floods in the winter of 2007. Saharan drought is also endemic to Mauritania, leading to consistent crop failures and seasonal famines. Only Libya, with large-scale projects to create "green zones" for tourism, has sought to tackle the environmental issues head-on, but its long-standing Man-Made River project dating back to the 1980s has singularly failed to produce results.

These trends, linked inextricably to global

18 See Introductory remarks by Murilo Portugal, Deputy Managing Director of the International Monetary Fund at the "Conference on the Role of the Private Sector in Economic Development and Regional Integration in the Maghreb," Tunis, November 28, 2007, available at www.imf.org/external/np/speeches/2007/112807.htm.

19 "According to different recurring estimates at least 22 million new jobs should be created over the next fifteen years in the Mediterranean partners of the EU to maintain their current levels of unemployment, without any change in activity rates." See Institut de la Méditerranée, "Report of the expert group convened by the Mediterranean Institute on the Mediterranean Union project," October 2007, p. 13, available at www.ins-med.org/publications/publications/unionmed/experts_um_en.pdf.

20 Hein de Haas "Trans-Saharan Migration to North Africa and the EU: Historical Roots and Current Trends," *Migration Information Service*, Washington, DC: Migration Policy Institute, November 1, 2006, available at www.migrationinformation.org/Feature/display.cfm?id=484.

21 Index Mundi, "Morocco GDP - real growth rate," 2007, available at www.indexmundi.com/morocco/gdp_real_growth_rate.html.

22 European Commission, "European Civil Protection: Algeria Floods - winter 2006," available at http://ec.europa.eu/environment/civil/algeria_floods_2006.htm.

climate change, are likely to continue and heighten over the coming ten to fifteen years. In addition to climate-related emergencies, a key pressure on growth and security across the region is, and will continue to be, scarce water resources. Measures to redress this are being considered belatedly from a background of fragile infrastructure resulting in high levels of pipeline wastage and low reserves, despite considerable investment in dam projects and reservoirs since the 1960s.

Finally, while most North African states, with the exception once more of Mauritania, are on track to meet the UN's Millennium Development Goals for poverty reduction by 2015, in the areas of health and health education, there may be some hidden and unwelcome surprises. Official rates of HIV infection affect less than 1 percent of the region's population, but shield a growing increase in Egypt, where HIV/AIDS is not publicly acknowledged as posing a threat. The incidence of other diseases, such as tuberculosis, is on the rise in Algeria, Morocco, and Mauritania, while one of the consequences of the rise in organized drug-smuggling networks operating from West Africa, through North Africa to Europe, has been the rapid increase in drug consumption in Algeria and Libya in recent years.

FLASHPOINTS AND RISKS

The prevalence and rapid expansion of interlinked criminal networks operating between North Africa and the Sahel region may be one of the most immediate causes of instability in the coming years. One commonly expressed fear is that the current conflicts in Niger and Mali may be linked to the rise of al-Qaida in North Africa. While claims that these conflicts are actively linked to networks funding international terrorism remain to be substantiated, the US in particular has taken the risk seriously. In 2003, the Algeria-based Salafist Group for Preaching and Combat (GSPC), which has openly gained al-Qaida support, kidnapped thirty-two German tourists in the Sahara for an alleged ransom of \$5 million, an action an apparently related group repeated with the kidnap of two Austrian tourists in early 2008, who were released in October 2008 with apparently no ransom paid.

The GSPC cell leader responsible for the first

kidnapping was subsequently tracked down in Mali, arrested in Chad in 2004, and sent back to Algeria where he is now detained awaiting trial. This potential spread of terrorist activity from coastal Algeria to the loosely policed border regions of the Sahara provoked concerns that al-Qaida, by then ejected from Afghanistan, would seek to set up new training grounds among the Saharan tribal groups. From 2003, US forces have been engaged in training local Sahelian forces in counterterrorism and interdiction techniques, and have since been looking to establish a new African military command base (Africom) in West or North Africa. The Trans-Sahelian Counter-Terrorism Initiative now engages military units and border guards from as far afield as Mauritania (where a military barracks was attacked by the GSPC in 2005), Chad, Mali, and Niger, as well as units from the Algerian army.

Since the GSPC officially declared its affiliation to al-Qaida in September 2006, and renamed itself Al-Qaida in the Maghreb (AQIM) in January 2007, the group has launched a series of far more devastating attacks against foreign and government targets in Algeria itself. However, there is little evidence to suggest that it holds sway over other regional terrorist groups, active particularly in Morocco, or that the group has gained many more adherents.

The danger of focusing on the imported and transnational sources of terrorism is that it may obscure the locally based sources of regional instability that may be developing. A far more likely catalyst for more generalized violence is a renewed surge of basic commodity and energy prices, combined with limited and ineffectual political action in response. Some analysts compare the current situation in Egypt with the prerevolutionary build-up of workers' strikes that preceded the deposing of Egypt's last King Farouk in 1952, and even the atmosphere in late 1970s prerevolutionary Iran.²³ The analogy cannot be made across the whole region, where differing degrees of socio-economic and political intensity apply. However, the longevity of the region's governments, however stable and enduring they have been in the past, cannot necessarily be taken for granted as they meet their greatest challenges yet.

23 John R. Bradley, *Inside Egypt: The Land of the Pharaohs on the Brink of a Revolution* (New York: Palgrave Macmillan, 2008).

Existing Capacity for Managing Risks and Gaps in Capacity

GOVERNANCE AND DOMESTIC CAPACITY

The key question facing most of the region's regimes over the next few years concerns their ability to manage smooth succession processes. The region's template was the smooth succession of King Mohammed VI of Morocco, following the death of his father, King Hassan II, in 1999. For the presidencies, and Muammar Qaddafi's role as the "guide" of the Libyan republic since 1969, the legitimizing role of a dynastic monarchy has had to be replaced by other means. With no precedent for the transfer of power to draw on, President Hosni Mubarak (in power since 1981) has been preparing the ground for the succession of his son, Gamal Mubarak, and Qaddafi for one of his three sons, or daughter. In Tunisia, a successor to President Ben Ali (in power since 1987) has yet to be openly identified, while in Algeria, previous presidential changes have been subject to a consensus decision by the senior military. Only in Mauritania did the region see a brief and unsustainable change of leadership through democratic means.

Unlike the youthful King Mohammed VI, who still enjoys popular support, the region's other leaders are aging and subject to perennial rumors of ill health. Over the past few years, Qaddafi, Ben Ali, and Mubarak (who turned eighty years old in May 2008) have all had to deny rumors of serious health problems. In contrast, President Abdelaziz Bouteflika of Algeria's unnamed but debilitating illness is all but an open secret, leading to speculation that he will not be fit enough to run for presidential elections due to be held in March 2009.

This uncertainty limits the capacity of existing elites to react proactively to the challenges they collectively face. The region's leaders are largely figureheads for systems built to support them, which means that most senior actors close to the regime are wary of precipitating change before the outcome of a potential leadership struggle is known. Similarly, systems that depend on patronage and closely-knit circles of self-reinforcing elites also lack the ability to adapt to the external, as well as internal, pressures they face. In

the past, the rentier state models of Algeria and Libya, and the relatively closed and politically-linked business circles of Morocco, Egypt, and Tunisia have been able to sustain and protect themselves in relative isolation from developments beyond individual state boundaries. The challenge they will increasingly face in coming years, is that of managing the interaction between the pressures building within domestic systems and the very real, but often conflicting pressures they are encountering within a changing global context.

The first of these is from new technologies, which have enabled a growing number of North African citizens to access information, news, and mobile phone networks no longer exclusively controlled by the state. Some governments, with the exception of Tunisia, where public information, websites, and even the advent of GSM networks have been tightly controlled, have increased press freedoms to allow for the public expression of grievances and limited political debate. The trade-off, most notably in Algeria and Egypt, is that this has not been accompanied by an increase in the accountability of public agencies and politicians whose actions or deficiencies have been exposed through such channels. Rather, the effect has been to encourage the impression of public debate and of public responses, with little effect on the pace of reform and change.

Of more serious concern are the unforeseen influences of globalization, increased foreign direct investment, and the necessary opening to a wider range of trading partnerships. Despite the limitations on international migration, the remittances of North African diaspora communities have become more targeted toward longer-term change in their countries of origin in recent years than the cash remittances on which a number of rural communities in Morocco still depend. The search for new markets and trading partners, in addition to the region's traditional dependence on Europe, has also begun to penetrate North African societies with influences no longer directly controllable by regional governments.

In the short to medium term, this may lead to internal elite struggles over how to manage the pace of change, especially where younger, technocratic elites have begun to exercise influence in state agencies or financial institutions. In Tunisia and

Morocco, the emergence of a small number of highly skilled managerial and entrepreneurial workers has begun to transform the financial, telecommunications, and service sectors of their economies in recent years. In terms of overall numbers, however, this cadre is starting from a very low base, with little impact to date on the traditional sectors of the economy. The greater activism of often foreign-trained elites also raises questions over how much domestic capacity exists to implement the kind and scale of changes needed. With local universities frequently failing to prepare graduates for the workplace, even the best-planned schemes to integrate local with global markets may fall foul of the dearth of middle and senior management competencies.

Not all, moreover, are prepared to change mindset from the comfortable positions they now find themselves in. Where the current response is to contain rather than address underlying instabilities, it is often assumed—to a large degree correctly—that existing networks of elites will resist moving from a set of known benefits to an unknown situation of potential, but by no means assured, advantage. This applies as much to ordinary public sector employees, who also fear losing the safety net of state-guaranteed wages to the uncertainties of a competitive labor market.

NONGOVERNMENTAL AND REGIONAL CAPACITY

At the regional level, there has been very little transnational or nongovernmental capacity, except in very limited nonpolitical “civil-society” form. At the intergovernmental level, the Arab Maghreb Union has served as a forum for meetings between interior ministry and security officials to monitor the cross-border implications of increased terrorist activity and to share intelligence over policing these and other common security threats, where deemed necessary. However, as a mechanism to build cross-border cooperation over a broader set of security issues, the AMU has failed to develop beyond its very limited intergovernmental roots. The protection of sovereign rights over security management is jealously guarded by the region’s leaders and residual concerns over border security guarantees are cited by the Algerian government in their rejection of recent Moroccan overtures to re-open their common border closed since 1994.

In other areas, the region’s economic and political relations are still structurally very much geared toward Europe. As a reflection of this, the strongest nongovernmental links are between civic and other diaspora organizations based in Europe and their societies of origin—very few organize at a regional level across North Africa. The significance and variety of these “north-south” relations may nevertheless increase in future.

In the official political systems of North Africa, there are few structured political parties or opposition groups that have not been coopted into government. Although all states in the region, but Libya, have moved toward multiparty systems, the role of historic parties dating back to the nationalist struggle for independence has been to support the government. For example, the FLN in Algeria and Istiqlal in Morocco (both currently the lead parties in their governments) play key roles in providing a support network for the military-backed presidency in Algeria and for the monarchy in Morocco, respectively. With the exception of the largely nonofficial Islamist groups and movements, such as Ad wa’l Ihasan in Morocco and the Muslim Brotherhood in Egypt, the emergence of more structured poles of opposition or political alternatives has been limited or deliberately curtailed.

Historically, in Egypt, Algeria, and Tunisia, trade unions have played the role of representing workers’ rights. In Algeria, for example, the general workers’ union (UGTA) staged national strikes over proposed reforms to the national oil company, Sonatrach, in the mid-2000s. However, few have been able to prevail over the trend toward the reduction of public sector employment and moves toward privatization. Ironically, the trade unions’ defense of the public sector has often conjoined with the interests of state sector elites who also stand to lose economic and other privileges from moves toward genuine competition. The region’s NGOs often suffer a similar fate to political parties, insofar as their ability to function depends on political patronage (especially in the sphere of human rights protection) or on grassroots development activity which substitutes rather than challenges deficiencies in public social welfare provision.

Despite fears that opposition networks may develop at the regional level through the spread of

al-Qaida-inspired and organized terrorist networks, the profile of Algerian jihadists, or the militants detained for the 2003 bomb attacks in Morocco, for example, demonstrate more connections with diaspora groups in Europe and the Middle East than with each other. Instead, the main function of the more mainstream and nonviolent Islamist movements has been to organize political and social welfare activities at the local level, in ways that have compensated for the fragmentation of traditional family and community-based social safety nets. For this reason, groups such as Ad wa'l Ihsane and the Muslim Brotherhood have been tolerated, yet excluded from participation in the official political system. The fate of Islamist parties that do participate in elections illustrates the dangers of participating in the official system. Fully expected to win a majority of votes, the Moroccan Party for Justice and Development failed to galvanize voters in the general elections of 2007. The low turn-out reflected the growing popular perception that officially recognized parties are compromised by their engagement with the regimes in place, and thus unable to deliver change.

Without channels for elaborating alternatives to the authoritarianism of current governments, the risk is that opposition will escalate from local, spontaneous unrest. The slow response of public authorities to emergencies and crises (such as homelessness following the region's floods and earthquakes of 2001, 2003, and 2006-2007) has resulted in disorganized protests, for causes that are not represented or acted on by political parties at the national level.

INTERNATIONAL ORGANIZATIONS AND PARTNERSHIPS

North Africa's heavy trade dependency on Europe means that much of the region's external relations are dominated by political and commercial negotiations with the European Union in general, and their closest European neighbors (France, Spain, and Italy above all). The erstwhile colonies and protectorates of France (Morocco, Algeria, and Tunisia) have particularly intense relations with their former colonial power, not least since public discourse in these states is still largely Francophone, and around 5 million North Africans and French

citizens of North African descent live in France. The memory of France's colonial defeat and the human costs of the eight-year war in the 1950s are never far from Franco-Algerian relations. This makes competition with Morocco, which has traditionally enjoyed less tension with France, more acute. Many Egyptians speak English, dating from the time before 1952 when Britain controlled the Egyptian government, but friction between Britain and Egypt is much more limited.

Most of the region's official relations with Europe are structured through formal cooperation frameworks, such as the Euro-Mediterranean Partnership since 1995 and the European Neighbourhood Policy since 2004. To this has now been added an initiative launched by President Nicolas Sarkozy of France, and since adopted by the entire EU, to create a "Union for the Mediterranean." This aims to boost cross-regional cooperation over issues not fully addressed through bilateral channels, such as environmental pollution and regional transport links. The perennial suspicion from North Africa is that Europe seeks to meddle in the region's affairs, the better to capture its markets and defend their own security interests, while insisting on improvements in the sphere of human rights and democratization. At the same time, the EU has limited the access of North Africa's agricultural products to European markets, while requiring that North Africa's less competitive industrial sectors enter a Mediterranean Free Trade Zone by 2012. Even though regional governments have agreed to this package of measures, complaints about unfair standards and conditions applied by Europe form the essence of EU-North African dialogues.

The traffic is not all one way, however. Given North Africa's strategic position in ensuring future energy supplies to European partners, the direct leverage European governments enjoy over domestic and regional reform processes has been mitigated by their own reliance on the network of gas pipelines emanating from Algeria and Libya across the Mediterranean via Spain and Italy.²⁴ In turn, the oil-exporting states' vastly increased hydrocarbon revenues have also made recourse to official European funding lines less necessary in

24 See reports of plans to build a new pipeline linking Algeria to Spain, cofunded by Gaz de France, due to commence in 2009, available at www.algeria.com/forums/current-events-actualites/13780-algeria-energy-news-oil-gas-electricity-solar-nuclear-power-developments-231.html.

recent years. Where technical assistance is required, Algeria and Libya are turning to international oil companies directly, as well as building new commercial partnerships with Russia, China, India, and other Asian economies in expansion. Here, North Africa has also been able to exploit other geopolitical synergies: Russia's search to diversify gas pipeline routes away from those dominated by the US in Central Asia, in part, lies behind Gazprom's joint initiative with Algeria's Sonatrach to build the Algerian-Nigerian Trans-Saharan pipeline project due to be operational in 2015.²⁵

Despite Libya's interest in both assisting and dominating relations with its sub-Saharan neighbors, the growth of stronger North African links with the rest of Africa is likely to be limited. President Bouteflika of Algeria is one of the lead promoters of the African Union's New Partnership for Africa's Development (NEPAD), but this is more symbolic than substantial. Just as North Africa has been slow to consolidate its own internal regional market, so the main thrust of the region's relations within Africa is likely to remain narrowly focused on mutual security concerns.

In this respect, as already noted, the advent of the US-led war on terror has provided North African governments with a new dimension to their geostrategic importance to both the US and EU, becoming key partners in the detection and policing of international terror suspects. At the military level, this has opened the way to higher EU and US arms and counterterrorism equipment sales to Egypt, Algeria, and Morocco and the recent, but apparently misguided, speculation that Morocco might host the headquarters of the US Africa Command, Africom, formed in January 2007.²⁶ Higher levels of security cooperation with the US has also allowed regional states to side-step the parallel demands of the US State Department to accelerate moves toward democracy. Since the failure of the 2005 Egyptian elections to reflect the regional changes hoped for by the US following its military campaign and the subsequent elections held in Iraq, the pressures on regional governments have all but evaporated. The US awarded Egypt its extended \$13 billion in financial assistance just as

constitutional amendments and the widespread arrests of opponents were reversing the democratic reforms President Mubarak introduced before 2005.

Finally, the UN and international aid agencies are limited in the overall impact they enjoy in shaping the political and economic futures of North Africa. With the exception of Mauritania, which remains aid-dependent, North African states enjoy considerable leeway in their choice of partnerships for specific and targeted development projects. In disaster relief, for example, Morocco and Algeria are investigating the establishment of better early warning and disaster response mechanisms, having relied on the ad hoc capacities of partner governments in Europe and the European Union, UN agencies, and even business partners, such as British Petroleum (BP) to sponsor earthquake relief teams in Algeria in 2003.²⁷ This means to some extent that some international partnerships can be played off against each other, especially where purely commercial relationships are involved. It will be interesting to monitor in the future how the recent influx of higher levels of Gulf state investment will impact on the resistance of regional economies and governments to fundamental reforms.

Scenarios

The range of scenarios set out below reflects the likelihood any of the pressures outlined above will act as a critical catalyst on its own, or in conjunction with several others. The interrelated nature of challenges would suggest that the continuing economic prosperity for all but Mauritania will not be sufficient on its own to alleviate risks to security, particularly in terms of "human security." This is because public expectations now have to be managed across a number of fields, in addition to overall living standards. In many ways, with the advent of modern technologies, the genie is out of the bottle in terms of the tried and tested methods applied by regional governments to ensure sociopolitical control. In other words, the region's leadership can no longer rely on patronage and a largely uninformed citizenry to secure allegiance. In a

25 See Afrik.com, "Niger joins Nigeria and Algeria in gas pipeline project," February 27, 2008, available at <http://en.afrik.com/article12677.html>.

26 See Abu Muqawa blog discussion on Africom, February 2008, available at <http://abumuqawana.blogspot.com/2008/02/africom-spectacular-flop.html>.

27 ReliefWEB, "Algeria Earthquake," September 2003, available at www.reliefweb.int/library/documents/2003/ifrc/ifrc-dza-23sep.pdf.

globalized world, public opinion is drawing its own conclusions about local living conditions, and in the absence of any major external security threats to the region which this account presupposes, it is likely to be from the ranks of the disgruntled and under-employed that the most immediate challenges to the existing systems of government will occur.

BUSINESS AS USUAL

This scenario would see the continuation of current regime-led systems of control in which leaders adapt particular forms of authoritarian government to changing circumstances. This would mean limiting political and economic reform to spheres that do not directly impinge on central regime control. It would only be sustainable if significant public investment redresses the key deficiencies in public investment services, above all health and education, housing and new employment opportunities, both in the private and public sectors.

Sufficient public financial reserves already exist in Algeria and Libya to disburse targeted funds swiftly. However, the capacity of small numbers of elites to effect rapid results would require the engagement of elite groups encompassing reformers, technocrats, and new entrepreneurs, whose technical expertise would still be subject to political constraints. This option also presupposes the continuation of the current international climate of support, above all by the US and EU, in which significant progress in human rights and democracy are seen as less important than the stability and predictability provided by the current regimes of the region.

At the regional level, governments might also envisage some openings, including of the border between Algeria and Morocco, in order to promote sufficient intraregional trade and exchanges to alleviate pressures. The essential model would continue to follow the current line of international cooperation over security issues, the better to defend existing national political systems. Environmental and other regional security pressures would be dealt with on an ad hoc basis and through joint appeals to international partners to provide financial and technical assistance.

BEST CASE

This would entail the gradual inclusion of wider

sectors of society, short of full democratization in the short term, and the implementation of centrally managed development programs that could eventually become self-sustaining and self-administered. It would require more regional devolution (of the kind currently being proposed in limited form in Morocco) and the building of local capacity to meet the demands of more diversified economies and the educational requirements of foreign investors to employ qualified local staff. Governments would also need to minimize bureaucratic hurdles to investment, the continued reform of the banking sector to release risk capital, and greater opportunities (and legal guarantees) for local investment.

The key to engineering the transition to more viable and sustainable democracy over the longer term lies as much in the kind of targeted and strategically coherent support that the region's international partners can provide. This would require the EU and US, above all, to increase their support for local education, training, and capacity-building programs in business management and the legal sector to increase the ability of autonomous regulatory frameworks to take root. Unlike now, however, these initiatives would need to be linked to imposing greater restrictions on political interference in judicial and economic affairs. Undoubtedly, it would depend on the emergence of new types of local political leadership, central to making this shift, but it is possible that this could also occur from within existing elite systems. International training and support for local security forces would also need to focus more heavily on ensuring that they operate with the law and according to internationally monitored human rights.

At the regional level, increased international and local incentives would lead to greater market integration across North Africa, including the establishment and completion of the necessary regional and financial infrastructure to facilitate cross-regional exchanges within AMU. The EU's newly proposed "Union for the Mediterranean" would also have to prioritize nongovernmental involvement in regional integration projects over centrally controlled initiatives and budgets, as a regional integration measure in itself. It would also require the EU itself acting as facilitator, not main agent, in linking North African requests to European, private sector, and nongovernmental

suppliers and expertise. Within this context, it is also possible that a solution to the Western Sahara conflict be found, situating the future evolution of this region within a wider range of devolved regional development programs.

WORST CASE

This would see current models failing to respond to public demands, and in Egypt and Algeria in particular, current civil strife, strikes, and protests escalating to unmanageable levels. Dissidence, which would likely be sporadic and disorganized initially, could also be triggered by a leadership succession crisis. The rise in civil disturbances could compound terrorist attacks and lead to a more generalized deterioration in law and order. Elsewhere, disturbances linked to the rise in rural and inner city poverty (in Morocco) could directly threaten the urban rich and destabilize an already fragmented social order.

An acceleration of socioeconomic crises on several fronts would also affect elites and could lead to greater internecine disputes over the management of the mounting crises and their potential remedies. Increased strains on the state's economic resources would also lead to a reduction in the patronage accessible to those supporting the regime in place. Organized resistance, in the second stage, would be unlikely to come from within established circles, but from grassroots and particularly Islamist groups. Since the failure of Algeria's FIS to consolidate their control over government through electoral means, locally-established Islamist groups may be encouraged to compete with more fragmented groups for control over local regions first.

Localized violence could swiftly escalate, requiring the deployment of government armed forces. At this stage, the control of local economies by criminal networks rather than local political leaders or politically motivated groups cannot be ruled out, as well as the spillover of localized violence into neighboring regions, including the Sahel states.

The choices made by the international allies of current governments would also be critical to whether central government retains longer-term control. If external actors were to bolster the use of armed repression of local insurgents, the risks of systemic collapse through a more generalized

insurgency could be high, and regime legitimacy would be critically damaged by high levels of civilian casualties. The result could be a protracted series of local civil wars and increased conflict over the control of key assets and local resources, thus creating the circumstances in which terrorist attacks on foreign workers, tourists, and critical infrastructure could severely damage the region's economies.

Conclusions and Recommendations

The risks of violent change and upheaval, especially where few safety nets exist to offset or contain them, are real, and pose significant concerns over the longer-term prospects for stability. In regional terms, regime survival has hitherto been based on dynastic succession (Morocco, Libya, and arguably Tunisia) or the exclusive control of state institutions and key sectors of the economy (by the military and security hierarchy in Egypt, Algeria, and Mauritania). Alternatives to these systems have failed to make inroads through official channels, despite the formal adoption by most regional governments of political reforms and electoral processes. The failure of most democratization processes to represent fundamental changes in access to either political or economic resources has resulted in the effective shrinking of the state and the exclusion of the majority of the population from engagement with it. More dangerously for stability, since the first liberalization processes were embarked on in the 1980s, is that popular opinion no longer believes that reform can be engineered or delivered by the leaders currently in power. As a result the appeal of extra-systemic options and alternatives is increasing.

Since terrorism represents only one of these options, the **first priority** is for external policy-makers to understand both the context from which the terrorist phenomenon is derived, as well as terrorism's relatively limited significance to the majority of North Africans themselves. For them the central human security threats are more directly related to job security, un- or under-employment, housing, public services, and an evaluation of whether any of these areas will improve in response to hitherto ineffective public pressure. An appraisal of how threatening the spread of terrorism is to the

political and economic systems of North Africa should not blind policymakers to the utility to existing regimes of citing terrorist pressures in order to strengthen their alliances with Europe and the US. Since 2001-2003, adapting to the international requirements of GWOT has allowed current regimes to repress broader manifestations of political dissent while using foreign support to bolster their own survival.

On the US side, the region-wide ambitions of the Middle East Partnership Initiative (MEPI) and the Broader Middle East and North Africa (BMENA) initiative, now linked to the G8, appear to have lost their urgency in the aftermath of the Egyptian presidential and parliamentary elections of 2005. The failure of these processes sent out a regional signal that restricting the openings to genuinely democratic opposition is acceptable to US policymakers. Even if the focus of both the US and EU has now shifted away from a “fast-track” promotion of democracy toward a “building brick” approach to creating the conditions and local capacity to embrace democracy when regional security conditions improve, local populations do not see or feel the impact of this.

The status and credibility of the West in general, and the US in particular, has been tainted by developments further east—whether in Iraq, or the lingering Middle East peace process, or over fears about future US intentions toward Iran. Although distant from the everyday lives of North Africans, these issues are symbolically very close to them. A **second priority** is for the US and EU to review their assessments of how immediate security concerns might best be balanced with the longer term objectives of stability that genuinely democratic processes would bring to North Africa. Even if the current policy objectives continue to be the building of local capacity—preferably in accelerated

and more broadly based forms—the incremental achievements of this approach will also need to be balanced by more conditioned external support for the current systems in power.

Clearly, from the economic and commercial point of view, the future of the energy sector in Algeria and Libya is the main motivating force for external interest in North Africa. That is where foreign direct investment (FDI) has traditionally been directed and will continue to be directed. Morocco has made great strides in recent years in attracting FDI to a variety of sectors, particularly tourism, in an attempt to catch up with Tunisia, where FDI stock in 2005 represented 56 percent of GDP against 44 percent in Morocco. However, regional governments have struggled to diversify into new economic sectors on their own, largely on account of the political hurdles outlined above. There is also a lack of local technical and professional expertise to manage extremely delicate and risky transition processes, in which inevitably, some economic groups will lose, for the greater benefit of others.

The pressing reality is that increasing competition from Asian and other global markets will make delays in improving educational standards and upgrading workforce skills harder to address later. A **third and final priority** is for North Africa’s international partners to stress the urgency to regional governments of tackling the links between education and preparedness for employment now, and of the need to deploy the region’s own financial resources to this sector. The clear conclusion of this paper is that it is as much in the security interest of the region for governments to invest in their own populations now and for the future, as it is for them to devote resources to combating the spread of terrorism.

Further Reading

Bradley, John R. *Inside Egypt: The Land of the Pharaohs on the Brink of a Revolution*. New York: Palgrave Macmillan, 2008.

This recent work, written for the general reader, charts the mood, as well as detail, of the historic roots of recent developments in Egypt.

Economic Commission for Africa (ECA). *Economic and Social Conditions in North Africa: A Mid-Decade Assessment*. ECA Doc. ECA-AN/TNG/PUB/01/05. April 2006. available at www.uneca.org/eca_programmes/srdc/na/sro_na_survey.pdf.

The most recent ECA review of North Africa's progress toward meeting its development needs. The World Bank (www.worldbank.org/) and International Monetary Fund (www.imf.org) also make periodic regional and country-focused updates (especially under the IMF's "Article IV" consultations).

Entelis, John, ed. *Islam, Democracy and the State in North Africa*. Bloomington, IN: Indiana University Press, 1997.

This volume examines the region's different political trajectories and argues that authoritarian tendencies are common to all of them.

Martinez, Luis. *The Algerian Civil War, 1990-98*. London: Hurst, 2000. Also published with John Entelis, New York: Columbia University Press, 2000.

This assessment of the violence of 1990s Algeria is one which best captures the socioeconomic dimensions of the struggle and the reasons why young men took up arms during this period. Although published before the violence subsided, it draws attention to causal factors which still need to be addressed.

Zeghal, Malika. *Islamism in Morocco*. Princeton, NJ: Markus Wiener, 2008.

A new book by a specialist on the culture and anthropology of Morocco, which includes an assessment of the role of Islamist groups in the 2007 general elections.

Zoubir, Yahia, ed. *North Africa in Transition: State, Society, and Economic Transformation in the 1990s*. Tampa, FL: University Press of Florida, 1999.

Zoubir, Yahia and Haizem Amirah-Fernandez, eds. *North Africa: Politics, Region, and the Limits of Transformation*. London: Routledge, 2008.

If read together, these two works, written nearly ten years apart, give a good overview of the challenges which are enduring and those which are new, from a range of experts in the field of North African studies.

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