

Why Algeria will endure the Biggest Risks from the War in Mali

✘ The assault against the BP natural gas complex at In-Amenas in Algeria has bigger implications for Algeria than it does for Mali. The perpetrators, led by Mokhtar Belmokhtar, an Algerian, leader of the so-called 'Katiba al-Mulathamini', said that the attack was retaliation for the French attacks against the Jihadist forces in Mali. However, Algeria will be the one left to endure the long term effects of the Jihadist awakening in the southern Sahara (see also CTV news interview below).

The attack has shaken two of the most important pillars of the Algerian State: the oil and gas infrastructure – which has shielded it from the 'Arab Spring' revolts affecting its neighbors – and the security apparatus. Indeed, in the case of the latter, the very idea that Algeria's carefully constructed image of stability and security in the past decade, cultivated to shake off the bloody legacy of the civil war it suffered in the 1990s has also been shaken. The fact that security and oil infrastructure are wholly integrated in Algeria suggests the extent to which the oil & gas sector, by far the country's main economic engine, has been left vulnerable, especially considering that some 70% of Algerian GDP derives from oil and gas – which themselves account for some 98% of export revenues.

In the past decade, Algeria managed to eliminate its debt, giving it great flexibility in managing its distributive social programs and subsidies, which proved very successful at avoiding internal turmoil. However, while Algeria produced about two million barrels a day of oil in 2012, state planners have started to worry about the natural erosion of supply,

betting on gas reserves to make up any shortfall. The In-Amenas facility is very large and accounts for over 10% of Algeria's total gas output and some USD 3.9 billion/year in revenue. The Algerian government will, therefore, see a rather large dent in revenue even from a temporary halt in production. Algerian authorities will also be scrambling to cope with the events in Mali that could re-ignite the Islamist revolt, whose wounds are still fresh. Algeria has quite a crisis on its hands.

BP is the main international company operating at In-Amenas; the others are Norway's Statoil, the Japanese JGC, an engineering firm working to improve production and whose programs to install a compression system at the Tigantourine field – summer 2013 – has been delayed by the attack and the crisis. The attack may appear as a 'short-term crisis but Algeria will have to confront a more complicated aftermath. Few expected the attack, even if Algeria had always expressed concern at French and international plans to launch a military attack against the Islamists in Mali, raising political risk and uncertainty.

Algeria remains vulnerable to Islamists because it has not managed to cut its reliance on oil for economic growth, despite having achieved some progress in promoting private enterprise in other sectors over the past decade. So long as oil and gas production is abundant and oil prices remain high, Algeria will be able to continue to provide jobs and decent wages for its growing population. In the 1980's, when oil revenues dropped, Islamic organizations, including FIS (Islamic Salvation Front) substituted the State and civil society in supplying essential welfare, medical and even judicial services through popular courts that upheld *Shari'a* (Islamic law) to deal with cases in a speedier and more effective manner. As the State's secular program failed, opposition to secularism – and the increased adoption of Islamic values – acquired the symbolic meaning of opposition

to the State. Indeed, the current problem in Mali can be traced back to the Algeria of the early 90's and to the resistance to the Soviet occupation of Afghanistan.

Algeria's economic reforms, coincided with the lowest oil prices of the past 30 years, culminated in 1989 when many jihadist fighters returned from the war in Afghanistan, the Arab-Afghans. Mokhtar Belmokhtar, himself (who led the attack against the gas facility), was a Jihadist veteran of the Afghan war. The explosive combination of widespread economic and cultural disenchantment and suddenly unemployed Islamic warriors inevitably produced a dangerous climate. Indeed, Algeria has witnessed the most violent repercussions of the return of Arab-Afghans to their home countries from Afghanistan after 1989. The GIA – Islamic Jihad (which then evolved into the GSPC and its latest incarnation, Al-Qaida in the Islamic Maghreb) – took over the more moderate FIS Party by 1995 and were involved in the more serious acts of violence that have de-stabilized Algeria after its 1991 elections. The numerous connections to France have enabled GIA to spread its influence, and violence, in the West and elsewhere in North Africa. The struggle against the Qadhafi regime in Libya in 2011 had an echo effect, rekindling the Islamist spark in the region, drawing and forming new fighters with the additional advantage of an assortment of advanced weapons stolen from Qadhafi's arsenals.

Any time a crisis erupts either in Mali or in Niger involving the Tuareg tribes, neighboring Algeria, for example gets affected one way or another. The fact that some of these tribes have joined forces to promote an Islamist agenda makes Algeria all the more vulnerable. This is because the same tribes that are quarrelling in the south have links and relationships in Algeria and elsewhere in the Sahara region and beyond. France, the United States have been looking for ways to influence events there. In such a massive security vacuum, it is not surprising that all sorts of criminals have

been looking to establish a foothold in the region. The most talked about group, Al-Qaida in the Maghreb, the wider umbrella group of which the jihadists in Mali 'Ansar al-Din' are a part, actually evolved from Algeria's GSPC insurgent group, itself evolving from the radical Islamist militias of the 1990's. Algeria, interested in maintaining high oil and gas production rates, was keen to promote the idea of reduced risk, eager to advertise that it had virtually eliminated the Islamist threat through sustained military offensives, heavy security along with a policy of reconciliation. Such policies did, actually, weaken the Islamist groups; however, rather than eliminating them, they merely dispersed them to other countries.

The Sahel is unique in that just below and parallel with the Maghreb; it bisects the African continent, stretching 3,862 km (2,400 miles) from the Atlantic Ocean in the west to the Red Sea in the east. It is not so far north that it escapes the control of the relatively powerful security forces of Morocco or Algeria. It is also unique in that it links the Atlantic Ocean, enabling drug traffickers from Latin America to have access to a zone that links with Europe to the north and the Middle East to the east, where the Sahel reaches the Red Sea, which in turn links several troubled nations from Sudan on the African continent to Yemen in the Arabian Peninsula. This stretch of a dead zone, essentially home of nomadic tribes that dislike central governments and which have grievances of their own, touches several nations in an area of almost 1.2 million square miles. The countries that qualify as Sahel nations include: Senegal, Mauritania, Mali, Burkina Faso, Niger, Nigeria, Chad, Sudan, Somalia, Ethiopia, and Eritrea, also to a much more limited extent Algeria and Libya. In these countries, there is never any shortage of crises and grievances.

The Mali crisis has also been boosted by drugs. AQIM survives because it has found a shelter in the vast desert of the

Sahel, from which it has kidnapped tourists, stages attacks against military installations, and business facilities. It also fuels the crisis in the north by supplying weapons it purchases in the region with money earned in kidnappings, extortions, drug trafficking, and other crimes. To complicate matters and as part of this complicated commerce of death, in recent years South American drug cartels have been using West Africa, with a direct link to the Sahel, as a convenient thoroughfare to ship cocaine and other drugs to Europe.

In March 2009, President Joao Bernardo Vieira of Guinea Bissau was killed in what many believe to have been a revenge attack, after the army chief of staff died in an explosion a few hours earlier, likely motivated by the drug trade. Guinea-Bissau has become one of the main entry 'ports' for smuggling South American drugs (arriving via specially outfitted aircraft that fly low over the Atlantic to evade radar) to the Sahara and then Europe. A Boeing 727 loaded with cocaine seemingly crashed in the desert of Mali in December 2009, suggesting the trade is booming. The cocaine travels toward Libya or Morocco using the same former slave trade routes, still used by human and arms smugglers. While the drug trade itself acts as a destabilizing element, Al-Qaeda in the Maghreb participate in the trade as they seek funds to buy weapons.