



NATO DEFENSE COLLEGE FOUNDATION

MAGHREB

STRATEGIC TRENDS

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Executive Summary

The post-Arab Spring transitional phase is still difficult and precarious, for both structural reasons and largely because from Rabat to Cairo the main political parties are often unable to dialogue constructively in order to improve socio-economic conditions and decreasing unrest, political violence and terrorism.

The events in October seems to confirm in most Maghreb states there is a more or less radical rivalry between secular and religious forces, despite the fact that both camps are far from being coherent. In the near future it is unlikely that the regional situation will considerably improve; some domestic scenarios could instead feature rather worse conditions, even in the short term.

In this regard, it should be noted the conditions in Morocco and partially in Algeria are better than those in Egypt and Libya (and perhaps even Tunisia). In fact in Morocco the government crisis that began last summer is now considered as solved and in Algeria the reform process launched in 2011 is continuing, although in fits and starts. Concerning Tunisia instead and Egypt one can see that productive talks between government and opposition are very difficult to say the least, while the security situation has worsened. As for Libya, as clearly shown by the temporary abduction of the premier by former anti-Qaddafi rebels now belonging to one state security corps, the country seems to be the most troubled in the area.

In **Morocco** the political stalemate was paralysing the country, after the *Istqalal* party had withdrawn in July its support to the executive, has been temporarily solved with the formation of a new coalition government. That said, Morocco is still facing problems such as unemployment, inflation and corruption. While the country has largely avoided the Islamist-led violence that erupted in recent months across the region, foreign intelligence services are concerned by the growing number of Moroccans who have gone to fight in Syria. Morocco is threatened by al-Qaida and other jihadist groups less than Tunisia, Algeria or Egypt, but in October concerns emerged regarding borders, with weapons coming in from Libya and Mali. Despite the constant involvement of the UN, the

Western Sahara issue remains largely unsolved, representing simultaneously a security domestic problem and a source of diplomatic tension with Algeria.

In **Egypt** there still is a very strong polarisation between supporters and opponents of the ousted President Mohamed Morsi. Clashes between hard-line Muslim Brotherhood (MB) supporters and government security forces did occur in several parts of the country, often resulting in a large number of victims. On one hand the military believes it has the mandate of eradicating the MB opposition, on the other opponents believe that their steadfastness will have results. The backdrop of political action is very confused and not conducive to a reconciliation, while the international community still had no significant impact and socio-political stabilization. Economy is also under pressure following the decline in tourism revenues and capital outflows, which have led to a sharp fall in the country's net international reserves. Weak external demand, from the Eurozone too, is continuing to hurt the economy.

In **Tunisia** talks between the government and the secular opposition forces began in order to bring the democratic transition back on track after months of unrest and political stalemate. According to a new road map signed the 5th of October, the sides agreed to start on 20 day after a three-week period of talks, which should end with the resignation of the current government, the formation of a non-partisan cabinet, the appointment of an electoral commission, a new electoral law and an agreement on a vote date for elections. However, the fact that the largest political force in the coalition government, the Islamist *al-Nahda*, has agreed to step down by signing the road map has been greeted with some distrust by the opposition, whose leaders think *al-Nahda* may want not to respect the road map deadlines. Security conditions remain worrying, because of social protests and jihadist terrorism. On the economic side the government has announced it is trying to implement austerity measures (such as cuts on fuel and food subsidies) to reduce the budget deficit, even though observers think this could be a kind of opportunistic move for placating the International Monetary Fund (who is expected to provide Tunisia with international aid in 2014).

Libya's government is crippled by infighting and unable to disarm former militia fighters in a country still awash with weapons. Terrorism and political violence are growing threats. The 10th of October, former anti-Gaddafi rebels briefly abducted the Prime Minister Ali Zeidan from a Tripoli

hotel during a dawn raid, only to release him hours later. Mr Zeidan blamed later the act on some of his enemies in the General National Congress (GNC). Before his abduction Zeidan had been facing a possible vote of no confidence in the the GNC, especially those from the Islamist Justice and Construction Party, and from independents who say he has mishandled a wave of protests that began months ago and have shut down oil ports, cutting oil exports. The ports have been taken over by militants belonging to several semi-official armed groups, who are now challenging the central government and threatening to push Libya deeper into chaos.

Although affected by perspective political uncertainty and terrorism, **Algeria** seems to be less threatened by widespread public unrest and internal violence than Libya, Egypt and even Tunisia. However, several factors may undermine the stability of the country. Socio-economic and political grievances in fact persist, and it is unclear whether reforms initiated in 2011 amid the Arab Spring have the potential to really improve living conditions and alter the deeper power dynamics within the opaque politico-military elite networks Algerians call *Le Pouvoir* (the establishment). According to some very recent declarations by the National Liberation Front, President Bouteflika, , will run for re-election in 2014, despite being in power since 1999 and affected by chronic health problems.

Trends

In part because of structural reasons, but largely for the persistence of deep troubles linked to the post-Arab Spring transition phase, the whole Maghreb region is continuing to face significant political, socio-economic and security problems. That said, it seems the situation in Morocco and (partly) Algeria could evolve in a more positive fashion than in Tunisia, Egypt and Libya. The latter, in particular, seems to be now the weakest country in the area.

As for **Morocco**, now that the political crisis of the last months seems to be solved, after having remedied to the state of its finances, the economy could be ready to start moving again and governmental stability could increase. This trend is confirmed also by the fact that in the last months, despite the recent government crisis, several businessmen have shifted their activities - from Tunisia to Morocco, bringing capital and technology. Business are not only foreign but also Tunisian. If the foreign perception of Morocco is that of a platform providing easier incentives for

foreign investment, public finances remain critical, and despite some commendable efforts in savings and cuts it is unlikely the economic situation will dramatically improve in the short term. Morocco continues to be more secure and politically stable than most Maghreb countries. But, discontent regarding human rights and labour policies, together with the pervasiveness of corruption, chronic unemployment and a growing disparity in wealth and education, cast a shadow on the longer term. The Western Sahara issue remains largely unsolved; in a very near future, as lately happened in October, pro-independence protests are probable in some of the main towns of that region. That said, in the medium term the issue could be positively influenced by new diplomatic formulas conceived by the UN for more productive negotiations.

In **Egypt**, given the socio-economic problems and strong political polarisation between the military backed-executive and the Muslim Brotherhood, further demonstrations are likely in any part of the country. Jihadist proselytism and terrorism could increase, even in the very short run. Brotherhood hard-line activists could join radical groups such as Al-Gamaa Al-Islamiya. Security measures are put in place virtually everywhere and appear to be tight, but terrorist attacks remain possible. Islamists outside the Brotherhood are unwilling to take part in 'resistance' and have called for de-escalation, but the current conflict between the MB and the military could sooner or later completely annihilate any hope for political negotiation and perhaps endanger the coexistence between different Egyptian religious communities. Economy may partially recover if sufficiently high oil and gas revenues can be obtained in the months to come. However, without structural reforms and a huge rationalisation of public spending, government subsidies of food and fuel could result hardly sustainable and even insufficient for social consensus building, increasing public discontent even in the short term. One should keep in mind that this is a country where: 50% of the population (more than 80 million persons) are below the age of 25; yearly per-capita income is only above \$6.500 and the Gini index of economic disparity in 2012 is 80,4% . In short it is unlikely that in the near future the situation will radically improve.

According to a new political road map signed at the beginning of October, **Tunisia** expects within November the government and the opposition forces to conclude the negotiations (National Dialogue-ND) needed to finalise the constitution, the electoral law, the electoral commission and a national unity government. The latter should bring the country to hold presidential and legislative elections in 2014. However, distrust between the sides is still present, also because part of the

opposition forces seems still convinced that some al-Nahda's hardliners were involved in the jihadist killing of two of the opposition leaders this year. This could slow down the ND, causing a further delay in the whole transition process and, consequently, in concrete measures for improving Tunisians' living conditions. Social unrest could be the result. Moreover in the very short term the security situation could be affected by terrorism, since the October incidents in Monastir and Sousse might suggest that Islamist extremists want to include tourist sites in their spectrum of targets. Tourism as a revenue source could be affected. Tunisia's economy grew by 3,6% in 2012 and the government had forecast a 3% growth in 2013, but some analysts consider this could be overestimated. The executive declared it is trying to cut the cost of food and fuel subsidies as requested by the IMF; however, the stalemate in the National Dialogue, social unrest over living conditions and the steady slide of the dinar could limit or scuttle these measures.

In **Libya**, growing terrorism and political violence are seriously threatening the transition process, as showed by the fact that former anti-Gaddafi rebels now belonging to state security bodies were able to briefly abduct the Prime Minister. The PM accused for his abduction two congressmen (who rejected the charges) and the group Revolutionaries' Operation Room, a security body with ties to Islamist groups operating under the authority of the head of the GNC. The armed attacks on security forces occurred in October reflect deep state fragility, with multiple armed groups (many of them dominated by Islamic militants) running rampant and the government appearing too weak to rein them in. Inasmuch as the government and the GNC are deadlocked by strong divisions and contrasts between rival groups within former (secular and religious) rebels, it is not unlikely that the PM abduction and the subsequent trials of old regime's officials might increase domestic tension in the short term.

Despite being surrounded by political instability and terrorism, **Algeria** seems to be threatened by social unrest and internal violence less than Libya, Egypt and even Tunisia. However, persisting socio-economic and political grievances can still undermine the stability of the country. President Bouteflika seems now convinced not to extend his current mandate for another two years as advocated by part of his *entourage* in the previous months. However, it is unclear whether reforms initiated in 2011 have the potential to significantly improve the living conditions of the wider population and alter the deeper power dynamics within the opaque politico-military elite networks

called Le Pouvoir (The Power). Many observers think in fact that several reforms decided by the executive have been cosmetic moves made by Bouteflika in preparation of another run-up for presidency as officially announced at the end of October. How concrete these reforms are will depend from the future role and activities of the Department of Intelligence and Security (DRS). This intelligence service, traditionally suspected to rule the country behind the scenes, has undergone some changes that should limit its political influence.