



EURODEFENSE-ESPAÑA

REPORT OF THE OBSERVATORY FOR THE MEDITERRANEAN

April, 24th, 2018

Since the last Report on the Situation in North Africa distributed to the Eurodefense Associations in November 2017, there has been some developments in the region worth analysing, because what happens in North Africa affects to Europe.

This Rapport follows the same order of study as the previous one.

Critical signs of latent instability continue to develop across North Africa. Although mistakes have been made, Western actors can adopt policy options to mitigate further damage. Continuing to ignore the signs or postponing action to address them could have devastating consequences for the entire Mediterranean region and beyond.

LIBYA

The implementation of the United Nations-mediated 2015 Political Agreement (LPA) that established the Presidency of the Council and a Tripoli-based interim Government of National Accord (GNA) has been once again hindered by claims of illegitimacy by rival political forces. The framework of the deal is the only viable path to resolving the Libyan conflict. Therefore, important steps were taken in July 2017 when the President

of the GNA, al-Serraj and his rival General Khalifa Hiftar agreed to a ceasefire and to hold elections in 2018. Yet Libya remains deeply divided and failure to implement the LPA could adversely affect regional security as well as an increase of migrant flows into Europe.

The latest row started on the second anniversary of the 2015 Libyan Political Agreement (LPA), when Field Marshal Khalifa Hiftar, the commander-in-chief of the Libyan National Army (LNA) that dominates eastern Libya, announced on 17th December 2017 in a televised speech that he considered the LPA to have expired.

As a result, he argued, institutions emanating from the Agreement such as the Government of National Accord (GNA) and the Presidency of the Council headed by Fayez al-Serraj are no longer officially valid. Hiftar said that the LNA is now the “sole legitimate institution” in Libya, and rejected the authority of any government or parliament until new elections can be held.

Hiftar, de facto ruler in eastern Libya, by publicly rejecting the LPA is raising the risk of new fighting between his allies in the west and forces aligned with UN-backed GNA. In response to claims by Hiftar supporters that the LPA’s two-year validity has expired 17 December 2017, the UN Security Council had previously emphasised the continuity of LPA, disallowing what it said were incorrect deadlines and declaring unacceptable any attempt to undermine the UN-facilitated political process. Tensions rose in Tripoli and around Sirte between GNA-aligned militias and those supporting Hiftar. To cool tensions and to try to steer the UN peace process, the French Foreign Minister on 21st December 2017 met UN-backed PM Serraj in Tripoli and Hiftar in Benghazi in a bid to revive stalled UN-led talks. But as a show of force and a token of its commitment to combat Islamists, Hiftar’s forces the 28th December retook the last district of Benghazi under control of Islamist fighters.

However, since Hiftar can neither conquer the rest of the country nor maintain his control over the factions which comprise his “Libyan National Army,” he has agreed to the concept of elections as a means to advance from military leader to president, as Egypt’s Abdel Fattah el-Sisi did. To this aim, he has tried to take control over the electoral process, repeatedly accusing the High National Elections Commission of being “infested” by the Muslim Brotherhood and demanding they relocate to the eastern city of Tobruk. Attempting to avoid the civilian oversight and constitutional limitations the

LAP would likely bring, he claimed that he would no longer listen to the international community, i.e. the Quartet composed of the European Union, the United Nations, the African Union and the Arab League, but only to the Libyan people. This subterfuge has failed to bring the institutions planning and overseeing the elections under his control. Therefore, he ominously claimed in a February interview with *Jeune Afrique* that he would be forced to seize full military control of the country if elections failed to bring a satisfactory solution. Although he remains outside Libya's transitional political structure, he has forced himself into relevance over the past three years by taking military control over most of eastern Libya and the majority of Libya's oil terminals.

In this uncertain environment the United Nations consider elections in 2018 the only way to reconcile the conflict in Libya. The prospect of free and fair elections, however, remains highly unlikely with violence and political oppression presenting threats to both candidates and voters.

Within this context and with the LPA stalling on all fronts, the UN Special Representative to Libya Ghassan Salamé is being confronted with the reality that he will need to change his approach to succeed in Libya. However, he was adamant that his action plan is the product of Libyan ideas and aspirations to resolve the unpredictability and inherent instability of the country's prolonged transitional period. This has distinguished him from his predecessors and allowed him, as well as the UN Support Mission in Libya (UNSMIL), to move away from the open-ended policy of promoting unity talks, which had not made any meaningful progress since they began in 2014. Yet this plan faces numerous obstacles, particularly from entrenched political elites who see Salamé's action plan as just another venue in which to seek personal gain.

The support of the international community, and mainly from the Quartet, could give him the time and resources to envision a way to counter the vested interests blocking reform. By pursuing local reconciliation and preparing an executive action plan to stabilize the economy, Salamé can provide something for Libyans to rally around and to begin reducing the value of the status quo for many of the political actors. Moreover, Libyans have a growing and tangible frustration toward the status quo, which can be harnessed to build momentum and to pressure institutions to be more functional. Salamé's plan, the presence of a constitutional draft, and a popular will for change together present a rare yet unpolished opportunity to reverse Libya's post-revolutionary

descent into a failed state and regional source of instability. If it is squandered, it is unclear when the next such opportunity will come to pass.

An unexpected factor has appeared in the last days due to the rumours that Hiftar is in poor health and has been taken to a hospital. If this comes true, it may affect deeply to the outcome of the conflict in Libya, a country example of the devolution of the nation-state into factions that wage war on each other and that cross increasingly obsolete borders of surrounding countries.

TUNISIA

The reforms proposed by the International Monetary Fund in 2016 to grant a four-year loan to Tunisia of \$2.9 billion, in exchange for which the government agreed to rein in spending by shrinking the public sector (accounting for 50% of government expenditures), reducing wage increases, raising taxes, and implementing subsidy reforms have not had the results of improving the standard of life of the citizens. According to the Report of the Observatory on North Africa (November 2017): “Tunisians, once again, are disappointed and angry at the lack of response of all political parties to find solutions to the daily problems they are encountering.”

Seven years later this state of mind has come to the fore again like in 2011. On January 8, 2018, protests erupted in roughly a dozen towns across Tunisia, ostensibly in response to an increase in the price of fuel and other goods resulting from implementation of the 2018 budget the week before. Again the unrest is stemming from the grim economy like in the spring of 2017 and winter of 2016 that saw similar outbursts sparked by deep frustrations over the lack of jobs and the ongoing marginalization of communities in Tunisia's interior. In those instances, the protests remained largely confined to traditionally restive places in the country's centre and south, like Kasserine and Gafsa.

The question now is if this unrest spreads to the whole country or proves to be a momentary bump in the road to change or a turning point in Tunisia's fragile transition since it could evolve into a larger phenomenon, especially if it brings heightened clashes with law enforcement or if the established civil society activist networks decide to join the current wave of protests. Thus far, the government's response has suggested an attempt to strike a balance between identifying itself with the economic grievances of

average Tunisians and condemning the violence to which some protestors have resorted in expressing those grievances. The Prime Minister Chahed, for example, has issued a series of statements acknowledging the country's economic severities while characterizing the riots as serving "networks of corruption" and indicating the state will not tolerate acts of vigilantism. The events have also led to sparring between the political parties, with the Prime Minister and members of Ennahda accusing the Popular Front, the main bloc of leftist opposition parties in the legislature, of instigating the demonstrations for political gain. Whether the protests expand henceforth will partly depend on the degree to which such accusations resonate with the Tunisian public.

The challenge comes not only from the terrorist threat—though its disruptive effect on civil life and economic progress cannot be underestimated—but also from a permanent economic crisis and its subsequent consequences because the Tunisian elites have only focused all their attention on political development and consensus building to the detriment of much needed economic reforms. The absence of strong economic initiatives is making the political system vulnerable to the unrest of a population worn down by raised expectations and continued economic decline and rampant corruption. The acute economic disparity between regions is also a main reason for the diffusion of radical Islamist militants in the country. All this is happening in the shadow of the failure of successive governments to create new hope in Tunisia

If the instability of Libya were to spill over to Tunisia, it would then inevitably spread to Algeria with dramatic consequences for the whole region. Europe in particular should support Tunisia. European help and assistance should focus on providing financial and technical support as well as incentives for infrastructure projects in order to create more viable economic development and job creation policies. So far, neither the Europeans nor the United States seem to understand how critical this temporal juncture is for Tunisia and, in turn, how critical Tunisia's stability is for the entire region.

On May 6, Tunisians will vote in municipal elections which were postponed several times since 2016 for political and practical reasons. These elections represent both an opportunity and a risk for Tunisia's nascent democracy. If successful, they will help consolidate Tunisia's transition to democracy and extend democratic rule to the local level. However, a low turnout or a widespread protest vote could weaken the legitimacy

of the current governing structure. In either case the outcome will set the stage for Tunisia's critical votes for president and parliament expected in 2019.

ALGERIA

In Algeria the situation is being determined by the question of avoiding overlap between the country's twin political and economic transitions.

President Abdelaziz Bouteflika is in the final year of his fourth presidential term and in poor health. The eighty-one years old President retains nominal power despite his rare public appearances since suffering a stroke in 2013. Questions abound regarding his ability to communicate, let alone make decisions, in his current state. Further, neither the President nor the ruling National Liberation Front party have made clear a plan of succession ahead of presidential elections scheduled for 2019. There is both uncertainty about who actually holds executive power in Algeria now and whether a post-Bouteflika transition will lead to instability.

Economic challenges exacerbate this concern because the worldwide decline in oil prices has drastically reduced the Algerian government's revenues from state-owned energy reserves to cope with the situation. The social and economic grievances that have sparked some riots and discontent in many parts of the country cannot go away unless there is a sound economic reform and a departure from financial and economic isolationism as proposed by the International Monetary Fund. Algeria is trying to implement modest measures to reduce public spending including tax hikes and subsidy reductions, but these actions also preclude Algeria's ability to quell protests by teachers, police, and other public-sector workers with demands including higher salaries and better working conditions.

These localized protests threaten to undermine the Algerian government not only in the eyes of its people but also with its allies in the international community and with competitors such as Egypt.

There is also a big question mark regarding the source of the geographical origin of the source of Algeria's revenues. Its oil and gas industry that represents 35 per cent of the GNP and the 75 per cent of the government income is largely based in the south of the country. This huge area encompasses 80 per cent of the territory and only 9 per cent of

the population with a standard of living lower than the one they enjoy along the coastal area. This inequality is giving way to mounting sectarianism and ethnic tensions, worsened by the economic downturn and they have compounded troubles in that region thus menacing with unrest that might also spread to the rest of the country. Moreover, the south border of Algeria is a region exposed not only to internal and external upheavals but also to the instability that comes from the borders with Tunisia, Mali and Libya where the volatility of those countries may reverberate inside Algeria.

Once Algeria achieves some political stability by choosing its next President, it may be forced to abandon its isolationist traditional foreign policy approach in favour of a more assertive stance beyond its borders despite the risk of clashing with the regional ambitions of Morocco.

MOROCCO

Despite the fact that the country is going through a vast program of modernization they exists underlying problems like unequally economic development, poverty in the west and south, corruption and a lack of government action in some areas. The outcome is protests that might become louder and extend to the whole country.

In one region where the dangers are bigger is in the Rif that still is not out of the problems because the development program for the district Tangier-Hoceima-Tetouan presented in October 2015 by the King, and titled “Hoceima: Beacon for the Mediterranean”, as a part of the area’s long-term development plan since the earthquake of 2004, has not been implemented. The government has not moved forward the project due to the competition for political supremacy among the Party of Authenticity and Modernity and the Party of Justice and Development. Actually, the King has been very critical of politicians and elected officials for their inability to carry out the Hoceima project thus avoiding the worrying increase in social tensions in the country’s peripheral regions,

On the economic field and for the time being, Rabat has realized that with its relatively higher labour costs, lower human capital levels due to emigration, poor infrastructure quality and lower state capacity it cannot compete with the delocalisation to Eastern European economies of its former traditional European markets or with competitors in

Europe coming from Asian countries. To reduce its economic and political dependence from Europe, the Moroccan authorities are struggling to diversify into other alternative markets and partners for growth.

With this aim, over the past few years, Morocco's economic integration with Sub-Saharan Africa has accelerated. Between 2008 and 2016, exports to the rest of the continent have grown an average of 9 percent every year, while foreign direct investment rose by 4.4 percent. Senegal, Mauritania, Côte d'Ivoire, and Nigeria have emerged as the biggest African buyers of Moroccan products. The result has been that the trade balance between Rabat and West Africa recorded a net surplus for Morocco. To compensate this disproportion there has been Moroccan investments in the region mainly concentrated in banking, insurance, manufacturing, and telecommunications. While Moroccan firms cannot compete with European and U.S. firms, they are on a much stronger footing when faced with many Sub-Saharan companies.

It is therefore unsurprising that in November 2017 Morocco began negotiations with the South American trading bloc Mercosur to establish a free trade area between them, hoping to become a corridor for Europe and the United States to export goods and services.

These approaches follow the Morocco's successful return to the African Union on January 30, 2017, which Rabat saw as a great diplomatic victory.

From the international point of view and despite that Morocco's borders seem to be the least exposed to the security dangers plaguing its neighbours in the Maghreb, there still are threats that come from enduring interstate rivalries and closed borders. Since the mid-seventies, Morocco and Algeria have remained trapped in a zero-sum world. Their acrimonious rivalry over regional dominance and bitter feud over the Western Sahara have blocked progress on many of the burning issues that are hanging over the Maghreb and the Sahel. Increasing regional cooperation agreements should be developed to challenge the closing borders of Morocco and look for opportunities for cross-border cooperation.