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THE RISING THREAT OF REVOLUTIONARY ISLAM IN ALGERIA

INTRODUCTION

Algeria is engulfed in a bloody civil war that has claimed around 40,000 lives since January 1992. In that month the Algerian army seized power, ousted President Chadli Benjedid, and canceled parliamentary elections to avert a takeover by Islamic radicals, or "Islamists." The provisional military government and the loose coalition of Islamists who seek its overthrow have fought to a standstill. It is gradually becoming clear that neither side is likely to score a decisive military victory. Unless this civil war is halted, Algeria will disintegrate into political chaos that could destabilize the entire region. But as bad as Algeria's situation is now, an Islamist victory would be even worse.

A radical Islamic victory in Algeria would pose significant long-term threats to U.S. interests in North Africa, the Middle East, and the Muslim world generally. The triumph of Muslim militance in Algeria, at a minimum, would embolden Islamists elsewhere in the Islamic world to redouble their revolutionary efforts, increase subversive pressures on pro-Western secular regimes, and encourage further opposition to the Arab-Israeli peace negotiations. In the worst case scenario, a radical Islamic Algeria could become another Iran—a base for actively exporting anti-Western revolution, terrorism, and anarchy.

The Clinton Administration has distanced itself from the beleaguered Algerian military regime and has established diplomatic contacts with the Islamic Salvation Front (FIS), the umbrella group of radical Islamic organizations opposed to the secular regime. The President and his advisers believe this policy will lay the groundwork for a political settlement in Algeria. But FIS leaders increasingly have lost control over the ultra-radical guerrillas who do most of the fighting and adamantly reject compromise with the Algerian regime. It makes little sense to conduct a dialogue with leaders who cannot deliver a negotiated peace even if they wanted to do so. Moreover, reaching out to Algerian Islamic "moderates" is counterproductive because it undermines the ability of secular Arab regimes to resist the surge of militant Islam.

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Supporters of the dialogue with the FIS argue that it will lead to better Algerian-American relations in the event that Islamic revolutionaries come to power. This dangerously wishful thinking flows from the false premise that Western powers can co-opt radical Muslim movements through negotiation, dialogue, and compromise, practices valued in democratic societies but not in radical Islam. Any Islamist leaders that come to power in Algeria after years of bloodshed inevitably will be virulently anti-Western. Their totalitarian ideology uncompromisingly rejects Western values, which are perceived to threaten the purity of Islam, and is hostile to Western interests. Moreover, the political dynamics of revolutionary struggle favor militants at the expense of moderates, who tend to become increasingly irrelevant as political violence intensifies.

The Clinton Administration appears to be making the same mistakes in Algeria that the Carter Administration made in Iran. By reaching out to Islamic revolutionaries and undertaking a political dialogue, the Administration puts American national interests at risk and loses credibility with nervous allies battling their own Islamists. The Carter Administration's over-eager courting of Iran's revolutionary provisional government backfired in November 1979, when Iranian radicals seized American diplomats as hostages at the U.S. Embassy in Tehran. The Clinton Administration's courtship of Algeria's FIS is even more misguided because it could help boost Algerian Islamists to power by demoralizing the embattled military regime in Algiers.

The United States has relatively little direct influence over what happens in Algeria in the coming months. What little leverage it has should be used to help block the rise of Islamists hostile to American values and interests, not to ease their path to power. The sad truth is that any power-sharing arrangement between the regime and the Islamic opposition would be the first step toward a complete victory for the Islamists.

Instead of seeking to ingratiate itself with FIS "moderates" who are likely to be squeezed out of power and discarded by their more radical rivals if Islamists take power, the U.S. should:

- ☛ **Break diplomatic contacts with the FIS.** These contacts risk undermining the Algerian government with no real benefits for the U.S.
- ☛ **Halt efforts to pressure the Algiers regime into a suicidal power-sharing arrangement.** Power-sharing would only be a prelude to an Islamist takeover.
- ☛ **Cooperate with France and other allies to help buy time for the regime.** Washington should help Algeria reschedule its heavy debt burden, although it cannot afford to give direct economic aid.
- ☛ **Seek to deprive Algerian Islamists of external support.** The U.S. needs to increase economic and diplomatic pressures on Iran and Sudan, which aid Algerian Islamists, and cooperate with European allies to reduce the flow of arms and money from Algerian expatriates in Europe.
- ☛ **Prevent future Algerias.** There is little the U.S. can do in concrete terms to solve Algeria's immediate crisis. The Algerian government has been a repressive failure, but the Islamist alternative would be worse. The U.S. should encourage the Algiers

regime to adopt free-market economic reforms and cautious democratic reforms, although this will be difficult while the regime is fighting for survival. The U.S. is likely to have more success encouraging long-term political, economic, and educational reforms that can help other secular Arab regimes avoid Algeria's mistakes.

ALGERIA'S POLITICAL BREAKDOWN

Algeria's plunge into civil strife was precipitated by three intertwined crises—economic, social, and political—that undermined the legitimacy of the ruling National Liberation Front (FLN) regime. The FLN had spearheaded Algeria's bloody eight-year war for independence and dominated Algeria for 30 years after it won independence from France in 1962. Although it enjoyed considerable prestige based on this success, it squandered its popular support by building a one-party socialist state that badly mismanaged Algeria's deepening economic, social, and political problems.

The FLN nationalized large portions of the economy and built a Soviet-style command economy. It undertook an overly ambitious industrialization program that led to the development of swollen, inefficient state enterprises. The regime collectivized Algeria's thriving agricultural sector and experimented with "socialist villages" designed ostensibly to develop the economy and modernize society. The burgeoning state bureaucracy grew increasingly corrupt and inefficient. The mismanaged socialist economy was kept afloat by Algeria's oil and gas revenues, but the 1985-1986 fall in energy prices dealt a body blow to the economy, reducing oil revenues from \$12.5 billion in 1985 to \$8 billion in 1986. Rather than institute free-market economic reforms to revive the economy, the FLN regime borrowed heavily abroad. By the early 1990s, Algiers was forced to expend most of its oil and gas income—roughly \$8 billion to \$9 billion per year—just to finance its mushrooming \$26 billion external debt.

This economic crisis exacerbated a fundamental social crisis posed by rapid population growth and declining living standards. Algeria's population surged from 10 million in 1962 to its current level of 28.5 million (and continues to grow at the rapid rate of about 3 percent per year).¹ Peasants uprooted from the countryside, in part because of the regime's mismanagement of agriculture, crowded into the coastal cities in search of scarce housing and jobs. Algerians grew profoundly disenchanted with the FLN's one-party rule and its inability to deal with such persistent problems as high unemployment (now estimated to run about 25 percent, but much higher for younger workers), chronic food shortages, overcrowded housing, rising prices, and an overburdened infrastructure. The standard of living fell sharply following the 1985 decline in international oil prices, with private consumption per capita plummeting 18 percent between 1985 and 1992.²

Widespread discontent over the regime's mismanagement of the economy and resentment of the socialist pretensions of the ruling elite boiled over into anti-FLN riots that swept many Algerian cities in October 1988. Although they began as a spontaneous protest

¹ Roughly 65 percent of Algerians are under the age of 25, and 44 percent are under 15.

² Gideon Gera, "An Islamic Republic of Algeria? Implications for the Middle East and the West," Policy Focus Research Memorandum No. 29, Washington Institute for Near East Policy, June 1995, p. 1.

in a working class neighborhood in Algiers against austerity measures imposed by the regime, the mass demonstrations subsequently took on an Islamist cast and spread from the capital to other cities. The army was deployed to halt attacks on government buildings, state enterprises, and FLN political offices. Roughly 500 people were killed and \$250 million in damage was inflicted on government facilities before the riots were suppressed after five days of bloodshed.³

Stunned by the scope of the political violence, President Benjedid undertook a series of reforms to open up the political system and defuse opposition. A new constitution was approved by national referendum in February 1989, and the parliament approved the transition to a multi-party system in July 1989. The chief political challenge to the FLN came from the FIS, formed in March 1989 as a coalition of more than 20 Islamist groups dedicated to creating an Islamic state ruled by the Sharia, Islam's sacred law. The FIS quickly mobilized a mass following, drawing its strongest support from the urban poor and Algerian youths who sought a sense of purpose and identity in a society that presented them with a bleak future of diminishing opportunities. The FIS got a head start over other opposition parties because it enjoyed an informal support network in the mosques and was bolstered by heavy funding from Islamists in Saudi Arabia and other oil-rich Persian Gulf emirates.

The FIS also profited from the miscalculations of President Benjedid, who greatly underestimated its strength. Despite the fact that a July 1989 law banned political parties based on "sectarian practice" and "intolerance," the government recognized the FIS as a legal party in September 1989. Benjedid may have hoped to use the growing challenge posed by the FIS to offset FLN hard-liners opposed to his reform program. Or he may have allowed the FIS to operate openly in a Machiavellian attempt to scare voters into supporting the FLN.⁴

Benjedid's approach clearly backfired. In the June 1990 municipal and district elections, the first free elections since Algeria gained independence, the FIS decisively defeated the FLN, winning 54 percent of the popular vote to the FLN's 28 percent. Although the Islamists won control of 850 of Algeria's more than 1,500 municipalities, this vote was not an accurate barometer of their true strength. The FIS benefited from a boycott of the elections by several secular parties that led 38 percent of the electorate to abstain from voting. Others cast ballots for the FIS as a protest vote against the FLN.⁵

Despite this electoral setback, Benjedid pressed ahead with his plans to move rapidly toward multi-party legislative elections to restore the FLN's shattered political legitimacy. He unwisely designed a winner-take-all electoral system that would magnify the number of parliamentary seats awarded to the leading political party, perhaps assuming that the pre-election gerrymandering of electoral districts would guarantee an FLN victory. For its part, the FIS became increasingly aggressive in politically attacking the regime, organizing civil disobedience, calling for general strikes, and appealing to army officers to rebel against the

3 See Khalid Duran, "The Second Battle of Algiers," *Orbis*, Summer 1989.

4 "The Battle Looms: Islam and Politics in the Middle East," A Report to the Committee on Foreign Relations, U.S. Senate, February 1993, p. 4.

5 Robert Mortimer, "Islam and Multi-Party Politics in Algeria," *The Middle East Journal*, Autumn 1991, p. 585.

FLN regime. The June 1991 elections were postponed when violent political protests erupted over the FLN-engineered electoral reforms. Martial law was declared and thousands of Islamists were arrested. Despite this, the FIS was allowed to participate in the legislative elections, rescheduled to take place in two rounds of voting in December 1991 and January 1992.

The first round resulted in an FIS landslide. Although the FIS actually received 1 million fewer votes than it had at the peak of its popularity in the June 1990 municipal elections, the misguided electoral reforms magnified its victory.⁶ The FIS gained 188 of the 230 seats contested in the first round, eclipsing the FLN, which picked up only 15 seats. The non-Islamist vote was severely fragmented, and many voters opted for the FIS rather than their preferred parties because they feared their vote might be wasted under the winner-take-all system. Shocked by the size of the Islamists' political victory and suspecting that President Benjedid had cut a deal with the FIS, the army ousted Benjedid on January 11, 1992, canceled the elections, banned the FIS, and set up a transitional authority, the five-man High State Council (HCS).

SPIRALING POLITICAL VIOLENCE

Although many Algerians were relieved that the army had stepped in to block an Islamist takeover, the new regime lacked a solid base of support. To remedy this, the HCS chose Mohammed Boudiaf, an unblemished hero of the revolution against the French who had opted for self-exile, as the new prime minister. Boudiaf led a crackdown against the Islamists, who had gone underground and had begun an escalating campaign of armed attacks against the regime. But Boudiaf also asserted his independence from the entrenched elite that had run Algeria for their own benefit and made clear his intention to root out corruption in the FLN-controlled state bureaucracies. Boudiaf was assassinated by one of his own bodyguards on June 29, 1992, possibly because he was regarded as a threat to hard-liners within the army and FLN.

The Islamist camp also was fractured by internal political rivalries and disputes. Once the FIS was forced underground, its unity partially dissolved, and radical splinter groups proliferated and grew stronger. The military wing of the FIS, the Islamic Salvation Army (AIS), has become increasingly independent of the political leadership, much of which is under arrest or in exile. Local guerrilla leaders, known as emirs, have waged largely autonomous struggles against the government, and unaffiliated groups have opportunistically engaged in rising levels of criminal activity.

In early 1992, militant Islamists formed the Armed Islamic Group (GIA), one of the most ruthless and violent Islamic revolutionary organizations in the world. Founded by Algerian veterans of the Islamic jihad (holy war) against the Soviet and Afghan communist forces in Afghanistan, the GIA adamantly opposes any negotiated settlement with the government and scorns the FIS for its willingness to consider a dialogue with the regime. While the AIS has focused its attacks on the regime, particularly on police and military personnel, the GIA

⁶ Andrew Pierre and William Quandt, "Algeria's War on Itself," *Foreign Policy*, Summer 1995, p. 135.

has unleashed a fierce terrorist campaign against a broad array of civilian targets, including secular opposition leaders, journalists, artists, academics, and foreigners.

The GIA has chosen such a wide variety of targets because it is fighting a cultural war, not just a political war. It seeks to impose its vision of pure Islam on Algerian society by violently eliminating Western cultural influences that it considers a threat to that vision. Because it fears that secular education "undermines the jihad" by "taming" Algeria's youth, the GIA has sabotaged or destroyed roughly 700 schools and murdered over 200 teachers.⁷ It has assassinated intellectuals, particularly those that write in French, as symbols of the francophone elite that it wishes to destroy because of that elite's secular and "Westoxicated" values.⁸ GIA and other fanatical Islamist terrorists have slit the throats of young school girls for not wearing veils that conform to their view of Islamic modesty. They have impaled the decapitated head of a hapless contractor on the satellite television antenna that he was installing, because in their eyes he was helping to spread the decadent values of Western culture. The GIA also has killed more than 100 Algerian religious leaders with whom it disagreed.⁹

GIA terrorism increasingly threatens foreigners as well as Algerians. More than 90 foreign expatriates have been assassinated in Algeria since the GIA issued an ultimatum for foreigners to flee the country in September 1993 in an effort to undermine the regime. The GIA also has exported its indiscriminate brand of terrorism in an effort to deprive the Algiers regime of foreign support. Four GIA terrorists hijacked an Air France passenger jet on December 24, 1994, and planned to crash it into the streets of Paris on Christmas day. Fortunately, French commandos stormed the plane while it was refueling in Marseilles and killed the terrorists before they could deliver their gruesome Christmas offering.¹⁰ The GIA on October 7, 1995, also admitted responsibility for a series of eight terrorist attacks in France that had killed eight people and wounded 130 since July.¹¹ On October 17, it struck again, setting off a bomb on a crowded Paris commuter train and wounding 29 people.

The GIA's terrorist tactics, particularly its use of massive car bombs and kidnappings, are similar to those of Hezbollah (Party of God), the pro-Iranian Lebanese Islamist group. This is not surprising, since the GIA is believed to enjoy clandestine support from Iran and has dispatched representatives to meet with Hezbollah leaders and with Iran's Minister for Intelligence, Ali Fallahian, who oversees much of Iran's terrorist and subversive operations.¹² U.S. officials maintain that Sudan also assists Algerian Islamists by allowing Iran to use Sudanese territory as a transit point for arms and ammunition smuggled through Chad and Niger to Algeria.¹³ The Algerian government broke relations with Iran and Sudan in 1993, charging that both Islamic regimes supported Algerian terrorists.

7 The Economist Intelligence Unit, "Algeria: Country Report, Second Quarter, 1995," p. 11.

8 This has come to be known as "intellectocide." George Joffe, "Algeria—A Sombre Outlook," *Jane's Intelligence Review*, May 1994, p. 217.

9 "Algeria: Afghan Chaos or National Reconciliation?," *TransState Islam*, Summer 1995, p. 5.

10 In retaliation, the GIA murdered four Catholic priests in Algeria.

11 Thomas Kamm, "Algerians Claim Responsibility in French Attacks," *The Wall Street Journal*, October 9, 1995, p. A8.

12 French intelligence officials believe that Iran has linked up with GIA "on an operational level" and may have been involved in the GIA's December 24, 1994, attempt to hijack an Air France passenger jet and crash it into Paris. Youssef Ibrahim, "As Islamic Violence Accelerates, Fears of a Showdown in Algeria," *The New York Times*, February 22, 1995, p. A6.

CURRENT STALEMATE AND GRIM FUTURE

There is no end in sight to the killing, which has claimed an estimated 40,000 lives since January 1992. As the conflict has intensified, both the Islamists and government security forces have become more indiscriminate in their use of force, leaving many Algerians fearful and resentful of both sides. The army controls the urban centers, large towns, and oil and gas facilities, but central authority is gradually crumbling. Islamists, increasingly dominated by the GIA, control wide areas of the countryside, many villages, and poor neighborhoods in many cities. Even the most secure bastions of government supporters are subject to terrorist attacks.

The government's security forces are stretched thin, battling against roughly 20,000 insurgents who are assisted by extensive support networks.¹⁴ The military employs about one-third of its 155,000 forces against the Islamists. It prefers to deploy only professional military units, because many of its conscripts have defected to the rebels. Senior officers are said to distrust young officers with the rank of captain or lower.¹⁵ The regime relies on a paramilitary gendarmerie of roughly 30,000 and the police to perform most internal security tasks. By one estimate, it can rely on about 63,000 men for security operations but can raise this to about 90,000 in a crisis for a short period of time.¹⁶ The government also announced in March 1995 that it will organize and arm up to 50,000 men in local militias. Such militias are likely to be unreliable, except perhaps in the mountain strongholds of Algeria's Berber minority, which generally is secular and hostile to Islamist doctrines.

The Islamists have had some success infiltrating the security forces and assassinating key government officials. In March 1994, they attacked a prison, allegedly with inside help, and freed more than 900 prisoners. But the GIA and other groups also have been penetrated by government intelligence services. This has allowed the internal security forces to target the commanders of the revolutionary Islamic forces, killing several of them. In March 1995, the army struck a devastating blow against the GIA, ambushing roughly 900 guerrillas and killing hundreds of them in a running battle that lasted several days in the rugged Ain Defla region, 90 miles west of Algiers.¹⁷

The government claims that it now has the upper hand in the fighting, but this remains to be seen. Hundreds of Algerians continue to die each week, but there is little chance the army can score a military knockout with the Islamists so well entrenched throughout Algeria. It is more likely that a bloody stalemate has set in, with both sides too exhausted to win a decisive victory. While the regime commands little enthusiastic support, it has the passive acceptance of most of the population. Moreover, the GIA's terrorist excesses have tarnished the appeal of the Islamists and provoked a backlash. More young men now appear to be defecting from the insurgents than from the army.¹⁸

13 Chris Hedges, "Sudan Linked to Rebellion in Algeria," *The New York Times*, December 24, 1994, p. A5.

14 "Algeria: Afghan Chaos or National Reconciliation?," p. 4.

15 Carol Migdalovitz, "Algeria in Crisis: Situation Update," Congressional Research Service Report 94-241F, March 15, 1994, p. 3.

16 George Joffe, "Algeria and the Mahgreb—The Future Looks Grim," *Jane's Intelligence Review*, May 1994, p. 221.

17 The GIA blamed the rival AIS for providing intelligence to the army for the attack. "Algeria's Islamic Armies: A Guide for the Perplexed," *TransState Islam*, Summer 1995, p. 14.

The military regime tentatively has sought a political resolution to Algeria's predicament, but has found no acceptable interlocutors willing and able to halt the bloodshed. In October 1993, it created a Commission for National Dialogue, which sought to prepare the way for elections. The political parties declined to participate, ostensibly because they did not wish to "legitimize" the regime. But opposition parties also have been intimidated by ruthless terrorist attacks by the GIA, which rejects any form of compromise with the regime.¹⁹ The High Security Council appointed Liamine Zeroual, a proponent of dialogue, as President on January 31, 1994. General Zeroual, a career military man and devout Muslim who had resigned from the army in 1988 to protest the harsh repression of the October 1988 riots, had been persuaded to return as Defense Minister in July 1993. Zeroual had engaged in secret contacts with imprisoned FIS leaders before becoming President and quickly made it clear that he was prepared for political dialogue with all political factions, including the FIS.²⁰

Throughout most of 1994, the two top FIS leaders, Abassi Madani and Ali Belhaj, who had been imprisoned since July 1991, refused to enter political negotiations with the regime unless all FIS prisoners were released and Zeroual agreed to immediate elections. They relented and agreed to start discussions in September 1994 when promised unhindered contact with other FIS leaders. The two were moved from prison to a loose form of house arrest, but little came of the talks. The FIS leaders, apparently perceiving Zeroual's gesture as a sign of weakness, demanded a purge of the army and refused to call for an end to the violence.²¹ The talks had broken down by late October.

Opposition leaders briefly revived hopes for a fruitful political dialogue when they met in Rome, Italy, in January 1995 under the auspices of Sant' Egidio, a Catholic lay group. In Rome, eight prominent opposition politicians representing the major political parties, principally the banned FIS, the FLN, and the Socialist Forces Front (FFS), agreed to a "national contract" that set conditions under which talks with the regime could begin. They called for the regime to recognize the FIS as a political party, release its leaders, and proceed with multi-party elections. Significantly, the "contract" did not require the FIS to commit itself unequivocally to democracy. The FIS made its commitment contingent on "the framework provided by our religion," a vague formulation that can be interpreted any way the Islamists see fit. The Zeroual regime understandably rejected the Sant' Egidio declaration, which also was denounced by the fanatical GIA and the increasingly militant AIS.

Nevertheless, Zeroual maintained contact with the imprisoned FIS leaders, Madani and Belhaj, through a presidential adviser. These contacts finally were broken off in July 1995, with each side accusing the other of bad faith. The Algiers regime now is pressing ahead to hold presidential elections on November 16, despite the refusal of the major opposition parties to participate.

18 "Algeria: Afghan Chaos or National Reconciliation?," p. 6.

19 GIA terrorists in November 1993 assassinated Sheikh Mohamed Bouslimani, who was closely associated with Hamas, a more moderate Islamist group, when he agreed to participate in a dialogue with the regime.

20 Pierre and Quandt, "Algeria's War on Itself," p. 136.

21 Gera, "An Islamic Republic of Algeria?," p. 7.

U.S. INTERESTS AND ALGERIA

The military regime fighting for survival in Algiers is not a pro-Western ally. Since independence in 1962, Algeria has been ruled by radical Arab nationalists who have imposed Soviet-style economic policies and supported anti-Western liberation movements while staking out a claim to leadership of the nonaligned movement. Since the Algerian government was not aligned with the West in the Cold War, Washington has no moral obligation to align itself with the regime clinging to power in Algiers today.

But Washington does have a major stake in the outcome of the struggle inside Algeria. This is because the triumph of Islamic revolutionaries in Algeria, the largest state in North Africa, will have strong and lasting impact on the region, the Arab world, and radical Islamic movements throughout the Muslim world. A successful Algerian Islamic revolution probably would have a greater effect on the Middle East than the 1979 Iranian revolution. Unlike Iran, Algeria is predominantly an Arab nation, and its people are Sunni (orthodox) Muslims, not members of the smaller Shiite branch of Islam. This closer cultural affinity and Algeria's revolutionary history would give Algerian Islamists an entree into other Arab societies that Iranians do not enjoy.

Specifically, a revolutionary Algeria would undermine U.S. interests by posing a threat to:

- ① **Pro-Western Arab secular regimes.** An Islamist regime is likely to provide sanctuary, training, arms, advice, and moral, political, and material support to Islamist movements elsewhere in the region. The Algerian "Afghanis" already have established links with a wide variety of other Islamists, both during the war in Afghanistan and in training camps in Pakistan and Sudan. Exiled FIS leaders have made contact with a wide array of Islamic radicals in Europe. Even if the Algerians should neglect to support their counterparts in other countries (an unlikely prospect), their success will embolden other Islamic revolutionaries, providing a psychological boost to those who will see it as a vindication of Islamism and a harbinger of things to come in their own countries.

The countries most strongly threatened would be Algeria's neighbors, Tunisia and Morocco. Both already have suffered terrorist attacks at the hands of Algerian Islamists.²² Egypt, which has managed to survive an upsurge of Islamist terrorism since 1992, also would face the possibility of Algerian aid to Egyptian Islamists channeled through Sudan. All of these governments have a strong hold on power and enjoy considerable popular support. They are by no means dominoes to be toppled easily. But the spillover effects of Islamic revolution in Algeria will exercise a long-term destabilizing influence in the region that harms U.S. allies and gratifies anti-Western forces.

- ② **Containment of international terrorism.** The triumph of Islamic revolution in Algeria will be a victory for ruthless and indiscriminate terrorism. Not only are other Islamists likely to imitate the tactics and strategy of Algeria's GIA, but Algeria's new rulers—if they should win—are unlikely to discard terrorism as an instrument of policy.

22 Algerian terrorists killed six Tunisian border police in February 1995 and were involved in an August 1994 terrorist attack in Marrakesh, Morocco.

Islamic Algeria, like Iran, Sudan, and Afghanistan before it, is likely to become a haven and base for Islamist terrorist groups.

- ③ **Arab-Israeli peace negotiations.** The Algerian revolution is likely to electrify disgruntled Palestinians and help strengthen the appeal of Islamist groups such as Hamas and the Palestinian Islamic Jihad. Algeria's Islamists vehemently reject any compromise with Israel and would cooperate with Iran, Sudan, and Palestinian Islamists to block a permanent settlement. The galvanizing effect of Algeria's revolution also would limit the degree to which cautious secular Arab regimes could take risks to support further peace efforts.
- ④ **Nonproliferation efforts.** U.S. intelligence agencies in January 1991 discovered a nuclear research reactor that Algeria was building secretly with Chinese assistance. It is believed to be part of a clandestine nuclear weapons program.²³ After it was discovered, the Benjedid government announced that Algeria would sign the Nuclear Non-Proliferation Treaty, which it did in January 1995, probably to help ensure continued Western support. But signing the treaty and accepting the accompanying inspection regime of the International Atomic Energy Agency cannot guarantee that the present regime or a future regime will abstain from developing a nuclear weapon. Saddam Hussein's nuclear efforts demonstrated how easy it is to get around IAEA "safeguards." A nuclear-armed revolutionary Islamic Algeria, just 200 miles from Europe's southern shores, is a chilling possibility that would pose a critical threat to NATO allies, regional friends, and American forces in the Mediterranean basin. Moreover, an Islamist regime in Algiers might consider sharing nuclear technology or materials with Iran, Sudan, or radical Islamic terrorist groups.
- ⑤ **Western access to energy.** Algeria has the fifth largest reserves of natural gas in the world and ranks 14th in oil. It is a major energy exporter, the third largest source of the European Community's natural gas imports. Its importance is likely to grow when the Europe-Maghreb gas line, scheduled to be completed in 1996, links Algeria to Spain via Morocco. Although any regime that comes to power in Algiers will have an interest in continuing energy exports to maximize export income, Islamic revolutionaries will be prone to subversive and terrorist activities that are likely to disrupt the operations of the pipeline through Morocco or the Transmed pipeline bringing Algerian gas to Italy via Tunisia. Support for international terrorism also could trigger international economic sanctions that would disrupt the flow of Algerian gas to Western markets. Algerian support for Saudi Islamists, who provided FIS with considerable financial support,²⁴ would increase the risk of destabilization in Saudi Arabia, which in turn could disrupt the flow of Saudi oil exports and push up world oil prices.

23 Leonard Spector, "Nuclear Proliferation in the Middle East," *Orbis*, Spring 1992, p. 191. See also Iris Gonzalez, George Walne, and James Warren, *The Impact of Nuclear Proliferation: The Case of Algeria*, Center for Naval Analyses, September 1994.

24 The Saudi government prohibited private donations to FIS activists after FIS leaders supported Iraq's invasion of Kuwait. But Saudi Islamists, such as the exiled billionaire Osama Bin Laden, still are believed to be supporting Algerian Islamists financially.

⑥ **Human rights.** Although the Algerian military regime has abused human rights in its desperate struggle against Islamist terrorists, these abuses are dwarfed by the ruthless and indiscriminate campaign of terrorism and intimidation unleashed by the Islamists. For example, secular women have been a favorite target of Islamic extremists, who have imposed “temporary marriages”—rape—on those they despise. If the Islamists seize power, Algeria’s human rights situation is sure to worsen as they seek vengeance on the supporters of the current regime and struggle for power among themselves.

Given the grave threats that a revolutionary Islamic regime would pose to American foreign policy goals and security interests, the overriding U.S. goal in Algeria should be to prevent an Islamist takeover. Yet current U.S. policy is to ease Algeria’s transition to “democracy” by including the FIS in a power-sharing arrangement that leads to national reconciliation. This is wishful thinking that dangerously undermines U.S. interests by making it easier, not more difficult, for Islamists to seize power in Algeria.

U.S. POLICY TOWARD ALGERIA

The Clinton Administration has shunned high-level diplomatic contacts with the Zeroual government, concerned that such contacts will be interpreted by the Islamists as unconditional support for the regime. No senior U.S. official has visited Algiers since 1992. Moreover, American diplomats began discreet talks with Anwar Haddam, a high-level FIS representative based in Washington, in late 1993. The ostensible purpose of these talks is to pull the FIS into a political dialogue with the regime that will lead to a political settlement. But such a dialogue is doomed unless the FIS disavows terrorism—in which case it will be attacked by the GIA and other militants.

The Administration’s policy is based on a number of questionable assumptions:

- ☞ That the FIS is willing and able to halt terrorism.
- ☞ That the FIS is willing to play by the rules of democratic politics.
- ☞ That the regime is willing to accept a suicidal power-sharing agreement.

None of these assumptions is realistic. The Administration’s policy therefore is understood more properly as an insurance policy that it hopes will improve the chances of good relations with the FIS if and when it comes to power. Advocates of a dialogue with the FIS hope to prevent the U.S. from becoming the “Great Satan” in Algerian eyes, as it did in the eyes of Iranian Islamists. But this effort to placate Islamic revolutionaries is doomed to failure. Algerian Islamists already are convinced of U.S. perfidy by virtue of their ideology. They hate America as much for its culture, which they believe promotes corruption and decadence in their own societies, as they do for its policies. Years of bloody struggle are not likely to dilute their hostility, particularly if they are successful in shooting their way to power.

The Clinton Administration would do well to remember that it was the Carter Administration’s attempt to stage a rapprochement with the provisional Iranian government that triggered the biggest explosion in U.S.-Iranian relations, the 444-day hostage crisis of 1979-1981. Islamic militants seized the U.S. Embassy in Tehran in large part to discredit the provisional government of Prime Minister Mehdi Bazargan and preclude the normalization of

Iranian-American relations.²⁵ Radical fears of Iran-U.S. rapprochement were fed by a November 1, 1979, meeting in Algiers between Bazargan, Iranian Foreign Minister Ibrahim Yazdi, and Carter National Security Adviser Zbigniew Brzezinski. The Carter Administration's well-intentioned dialogue with Iranian moderates ultimately benefited Iranian hard-liners, who used it to oust Bazargan and poison U.S.-Iranian relations. The Reagan Administration also suffered a major policy setback when it tried to cultivate Iranian "moderates" to secure the release of American hostages held in Lebanon.

The Clinton Administration should halt its risky efforts to cultivate Algerian moderates. If they truly are moderates, the political dynamics of revolutionary struggle increasingly will marginalize them and limit their usefulness to the U.S. Furthermore, an American embrace actually could accelerate their demise by helping hard-liners in the GIA or in the FIS itself to discredit them.

The U.S. should work to combat and contain Islamists, not to tame them—a risky course that cannot be accomplished with any certainty. The Clinton Administration therefore should:

- ✓ **Break diplomatic contacts with the FIS.** American diplomatic talks with Algeria's Islamists undercut the Zeroual regime by suggesting that Washington is hedging its bets and working to establish good relations with the prospective victor in the bloody civil war. This eventually could undermine confidence in the regime and encourage defections. Diplomatic talks also confer a form of legitimacy that strengthens the Islamists' sense of manifest destiny and confirms their belief in Western weakness.²⁶ While breaking contacts with the FIS and tilting toward the Zeroual regime may increase the risk of Algerian terrorist attacks on U.S. targets, continuing a dialogue is no guarantee against such attacks. In any event, the U.S. must take every precaution to improve security against terrorism.²⁷
- ✓ **Halt efforts to pressure the Algiers regime into a suicidal power-sharing arrangement.** Given the brutality of the ongoing low-intensity war, it is unrealistic to expect the combatants to agree to genuine power-sharing arrangements. Power-sharing has become a euphemism for gradual Islamic takeover. Once placed in government positions, the Islamists would quickly consolidate their power and infiltrate the internal security forces. The military regime knows this and will not accept such a disguised form of surrender. Rather than publicly pressure the regime to negotiate with Islamists, which only undermines the regime and strengthens the Islamists, the U.S. should privately urge the regime to broaden its political base. The U.S. also should make it clear that it advocates political dialogue with the secular opposition parties, not the Islamists. Washington should resist the temptation to meddle in Algerian politics in a vain effort to ingratiate itself with the Islamists. Such appeasement will only make things worse by feeding the Islamists' sense of power and dis-

25 See James Phillips, "Iran, the U.S. and the Hostages: After 300 days," Heritage Foundation *Backgrounders* No. 126, August 29, 1980.

26 See Daniel Pipes, "There are No Moderates: Dealing with Fundamentalist Islam," *The National Interest*, Fall 1995.

27 See James Phillips, "The Changing Face of Middle East Terrorism," Heritage Foundation *Backgrounders* No. 1005, October 6, 1994.

dain for the weak-willed West. It would be a tragedy if the U.S. helped Islamists win through negotiations what they are incapable of winning for themselves.

- ✓ **Cooperate with France and other allies to help buy time for the regime.** France bolstered the Algiers regime with \$1.2 billion of foreign aid last year and has taken the lead in lobbying the International Monetary Fund and the Paris Club of creditor governments to lower Algeria's heavy debt burden. The IMF provided a \$1 billion standby credit in April 1994 for rescheduling its debt and a \$1.8 billion loan in May 1995 to support its cautious free-market reforms. The Paris Club re-scheduled \$3.4 billion of debt in July 1994, which cut Algeria's debt service ratio from 75 percent in 1993 to 30 percent in 1995.²⁸

The U.S. gives no economic aid to Algeria beyond \$550 million in loans under the Commodity Credit Corporation program for imports of American agricultural commodities and \$2 billion in loans guaranteed by the Export-Import Bank to U.S. corporations, primarily involving construction of the Europe-Maghreb gas pipeline. Given its shrinking foreign aid budget, Washington cannot afford to provide direct aid to Algeria. But it can and should cooperate with France to secure aid from international lending institutions such as the IMF and World Bank. Washington also should lobby Saudi Arabia and the other oil-rich Persian Gulf emirates to come to Algeria's aid. Finally, the U.S. should encourage Algeria to undertake free-market economic reforms that can fuel economic growth and create jobs that help alleviate Algeria's socioeconomic crisis. This will be especially difficult in the prevailing civil turmoil, but Algeria's long-term economic prospects depend on it.

- ✓ **Seek to deprive Algerian Islamists of external support.** The FIS has strong grass roots that enable it to impose taxes on "liberated" territory and siphon aid from radicalized groups of Algerians living in exile in Europe, particularly in France. But the GIA also receives considerable aid from Iran and Sudan. The U.S. should seek to cut this aid by punishing Iran and Sudan on as many fronts as possible. Senator Alfonse D'Amato's proposed legislation to ban all U.S. trade with Iran and punish corporations that continue such trade, the Comprehensive Iran Sanctions Act of 1995, would be a step in the right direction. Washington also should press Saudi Arabia to crack down further on the financial support that wealthy Saudi Islamists have provided to Algerian Islamists. U.S. intelligence agencies should cooperate with their European counterparts to reduce the flow of money and arms to Algerian insurgents from Algerian expatriates in Europe.
- ✓ **Prevent future Algerias.** There is little Washington can do in the short run to defeat Islamic revolutionaries in Algeria. But in the long run, the U.S. can seek to prevent friendly secular regimes in other Arab countries from making the same mistakes that Algeria's FLN regime made. This means:
 - ① **Encouraging free-market economic reforms** that fuel economic growth and provide jobs and hope to the unemployed youth who serve as the vanguard of Islamic revolutions.²⁹

²⁸ Economist Intelligence Unit, "Country Report: Algeria, Second Quarter 1995," p. 7.

- ② **Encouraging the emergence of a European Union-Maghreb free-market area** to bolster export-driven job growth in North Africa.
- ③ **Encouraging the development of secular political parties** that can give voice to political opposition and keep Islamists based in mosques from attaining a monopoly over political protest.
- ④ **Taking a go-slow approach to democratization.** The U.S. should stress the building of civil society and pluralism, not just holding elections. Algeria's rush to elections gave the Islamists an advantage over other political movements that were not as organized or prepared.
- ⑤ **Paying more attention to the education of the young.** Islamists gained a solid foothold in Algeria in part because the Algerian government carelessly imported hundreds of Egyptian teachers who sympathized with the Muslim Brotherhood as part of its "Arabization" program in the 1970s. The U.S. should encourage North African states to duplicate the Tunisian model of education, which has greatly reduced the appeal of radical Islam among the young.

CONCLUSION

Algeria's fate will be decided by Algerians. But the U.S. can and should apply the lessons it learned from its experience with Iran to avoid making Algeria's situation worse. Rather than try to appease Islamists, an approach that is doomed to failure, the U.S. should break off its dangerous flirtation. Islamic "moderates" are a mirage. They cannot be depended upon to restrain terrorism or deliver a political settlement. Washington should work to isolate the Islamists and help prevent them from seizing power, not facilitate a cosmetic power-sharing agreement that enables them to seize power.

There is no short-term solution to Algeria's problems. The U.S. should focus instead on long-term political, economic, and educational reforms, as well as appropriate security measures, that can prevent future Algerias. If Islamists do seize power, the U.S. must work with France, Morocco, Tunisia, Egypt, and other interested countries to devise and implement a patient, firm, and concerted containment policy to prevent the spread of Islamic revolution from Algeria.

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29 See Alan Richards, "Containing Algeria's Fallout Through Prosperity," *Middle East Quarterly*, June 1995.