

# Algeria's Foreign Policy: Facing a Crossroads

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Brief Analysis

**The ongoing war in Ukraine, with its recrystallization of allegiances, can provide Algeria the opportunity to return from a shift towards Russia and China back to a more balanced relationship with great powers.**

## USA: From Strategic Partnership to Irrelevance

In many ways, Algeria's most direct foreign relations with the United States and Western European countries are focused squarely on its northern neighbors of Spain and France. Yet as the unmatched superpower of the last three decades, the United States has had some type of impact on almost every country's foreign policy decisions. Foreign direct investments, military aid, and access to American technology are just some of the tools Washington uses to entice its partners and shape their policies abroad. In many cases, securing such 'gifts' has become the driver of many countries' foreign policy, gradually growing the 'pro-American' camp.

Algeria, though never unequivocally 'pro-American' or officially aligned with the West, is no exemption to this rule. After espousing a 'subjective neutrality' in the Cold War era—leaning towards the communist bloc while remaining in the non-alignment movement—Algeria followed the tide of the post-Soviet unipolar world and deepened its ties with the West.

This decision came about less as an ideological shift than due to economic opportunities much needed in the years after the Algerian Civil War (1991-2002). Capitalizing on its geostrategic position, its regional cache as an exemplar of revolutionary struggle against colonial rule, and its considerable military capabilities, Algeria subsequently demonstrated its geostrategic value to Washington. Algiers played a significant role in providing intelligence and assisting in [counterterrorism operations \(https://www.lawfareblog.com/algeria-and-america-complicated-past-uncertain-future\)](https://www.lawfareblog.com/algeria-and-america-complicated-past-uncertain-future) targeted against Al Qaeda in the Islamic Maghreb (AQIM) and, later, ISIS, thus playing a pivotal part in the 'war on terror.'

In return, Algiers received large amounts of **financial aid (<https://carnegieendowment.org/2009/06/17/u.s.-algerian-security-cooperation-and-war-on-terror-pub-23276>)** and training from its transatlantic partner and the U.S.-Algerian relationship appeared to be on the ascent. Instead, the neutralization of the Daesh threat in 2017, coupled with Trump's advent to power and his administration's 'America First' approach focused on historical partners and rivals constituted an unfavorable conjuncture for Algeria.

The relationship clearly degraded when Trump decided to recognize Morocco's sovereignty over the Western Sahara over claims of the Polisario Front, Algeria's strategic ally in checking Morocco. In return, Morocco entered the Abraham Accords, recognizing Israel—Washington's crucial ally in the Middle East. Both U.S. and Moroccan decisions struck at the heart of Algiers's national security and foreign policy concerns. The concurrent domestic turmoil of the Hirak movement in 2019 did not leave much space for foreign policy priorities, leaving the new government with little political capital to give a concrete response to this massive diplomatic failure by Algiers' standards.

Contrary to Algerian expectations that the Biden administration would change course, no reversal of this decision emerged, and the sour relations between Washington and Algiers have not improved since 2020. In fact, it is not an exaggeration to say that they are currently at their lowest point. This nadir, paired with the recent fallout with **France (<https://mondediplo.com/2021/11/10algeria>)** and the simultaneous rupture with **Spain (<https://www.eupoliticalreport.eu/relations-sour-between-algeria-and-spain/>)** over the colonial past of the former and the latter's new approach to the Western Sahara question have all brought Algiers towards unprecedented isolation from the Western world. In turn, this isolation has resulted in Algeria reinforcing its bonds with revisionist powers and downgrading those with the West, a fact that is showcased by Algiers' punitive attitude and growing intransigence towards France and Spain.

### **Russia and China: Open Arms**

Over the past two years, the informal alliance of Russia and China have proved happy to bring Algeria closer in response, providing Algeria with a ticket to 'de-isolation.' These ties go back decades; Algiers and Moscow have shared a strong bond since the former's independence and have built a close partnership. Through a **2006 (<https://english.alaraby.co.uk/analysis/algerias-conundrum-over-russias-tensions-west>)** Memorandum of Understanding, Russia's Gazprom has also helped Algeria's state-owned Sonatrach to evolve its LNG output.

Security relations are especially close; Algeria is dependent on Russian arms imports, buying **81% (<https://www.statista.com/statistics/1244018/distribution-of-arms-imports-into-algeria-by-country-of-origin/>)** of its military equipment from Russia over the last three years and serving as **Russia's third arms largest importer. (<https://www.aljazeera.com/news/2022/3/9/infographic-which-countries-buy-the-most-russian-weapons>)** after India and China. During the 2010s, Russian arms exports **increased (<https://www.iemed.org/publication/russias-arms-exports-to-the-mena-region-trends-and-drivers/>)** by 129% percent from the previous decade. In 2022, Algeria is Russia's third largest arms client only behind India and China. Algeria and Russia have conducted joint military exercises in disputed areas, such as **South Ossetia in October 2021. (<https://caucasuswatch.de/news/4204.html>)** and have agreed to perform a similar activity on the Algerian **borders with Morocco (<https://www.menadefense.net/algeria/algerian-russian-military-exercise-in-november-2022/>)** in November 2022—an agreement made during the Russian invasion of Ukraine.

Not only did Algiers acquiesce to this military exercise amid the Russian invasion of Ukraine, but its diplomats also refused to condemn Moscow in the UN in March, notwithstanding Algeria's historical adherence to the principle of state sovereignty. In exchange, Russia **supports (<https://tass.com/politics/1354167>)** Algeria in the Western Sahara issue—understood as a way to counter Morocco's alliance with the United States—and it has forgiven billions of

dollars of Algerian debt. (<https://www.arabnews.com/node/281633>)

Similar to the Russian-Algerian ties, the warm relations with China date back to the Cold War era, especially the Mao Zedong period. Recently, Beijing's global ambitions buttressed by its mammoth Belt and Road Initiative (BRI) project has brought China at the doorsteps of various countries around the world with partnership and investment proposals. North Africa was included in China's global reach and Algeria is willing to further expand Beijing's footprint as the latter's most invaluable regional partner.

China has already heavily invested in infrastructure in Algeria and trade flow between the two old friends has skyrocketed (<https://www.chathamhouse.org/2020/12/rebalancing-algerias-economic-relations-china>) over the last decade. Chinese businesses in the energy and construction sectors are multiplying (<https://www.mei.edu/publications/new-algeria-and-china>) on the Algerian soil, while Algiers is a partaker in the BRI project ([http://www.xinhuanet.com/english/2021-07/20/c\\_1310071418.htm](http://www.xinhuanet.com/english/2021-07/20/c_1310071418.htm)). As part of this project in Algeria, Beijing and Algiers have agreed on a \$3.3 (<https://www.rwradvisory.com/construction-to-commence-on-3-3-billion-deep-water-port-in-algeria-backed-by-chinese-financing-and-chinese-state-owned-contractors/>) billion project for the construction of the first deep-water port in Algeria in the coast town of Cherchell, west of the Algerian capital. The port of El Hamdania will be the second largest deep-water port in Africa. Finally, yet importantly, China is gradually becoming a significant arms exporter to Algeria. Since 2018, Algeria has received or ordered around twenty Chinese reconnaissance and combat drones (<https://www.defenceview.in/algeria-purchases-six-chinese-ch-5-rainbow-combat-drone/>) of assorted classes. In 2018 for example, five Rainbow CH-3 and five Rainbow CH-4 drones were delivered to Algeria and as recently as January 2022, the latter ordered six Rainbow CH-5 Chinese drones that constitute the most advanced version of the series.

To sum up, Algeria's interest in its relations with China and Russia are not new developments. Yet Algeria's perception of Washington as overtly and continually backing Morocco over itself is pushing Algeria further into the open arms of Russia and China and distancing its former ties with the other camp. Both states are happy to exploit Algiers's disappointment and sense of isolation. By tapping into the old cold war bonds, the two have proved eager to sever Algeria's policy of balance between them and the West and bring Algiers firmly into the revisionist camp. This strategy seems to have borne fruits so far: Algeria grows more assertive in its relations with the West, as the ongoing diplomatic crisis with Spain shows.

### **Rebalancing: Opportunities and Challenges**

While Algeria is trying to curb domestic instability and navigate a changing geopolitical landscape, there are diplomatic opportunities and challenges it should consider before being sucked into this revisionist camp by inertia.

To begin with, the Russian invasion in Ukraine might have triggered numerous global ripple effects, such as food insecurity, but it has also generated opportunities for Algiers that may help it deal with the 'isolation challenge' it has faced with Western states over the past few years.

In the wake of the invasion, the West demonstrated more unity than any other moment after the collapse of the Soviet Union. The response to Putin's act of aggression was so uniform and radical that the western countries seemed to rally around a common objective of safeguarding the post-Cold War liberal international order against Russia's assertive revisionism. However, other actors such as China and Iran have embraced this revisionism and are backing Russia, either explicitly or implicitly.

In its effort to counter this revisionist bloc, the West needs every possible ally (<https://www.aljazeera.com/news/2022/3/29/hold-us-moves-to-shore-up-unhappy-allies-on-north-africa-visit>) and Algeria can use this card to gain from both sides. Algeria has been presented with the opportunity to become relevant in the eyes of the United States once again while keeping channels of communication open with

Russia, China, and Iran, at the same time. In other words, Algeria can adopt a foreign policy akin to that successfully employed by India, i.e., unfettered and non-aligned.

Furthermore, the war in Ukraine offers Algeria numerous energy-related opportunities. Spiking oil and gas prices have helped to generate high rents to the energy-dependent Algerian economy, which has suffered from the dive in oil prices during the Covid-19 pandemic. Europe has made it clear that it aims to replace the Russian oil and gas imports with LNG (Liquified Natural Gas) and crude oil imports from other partners, with many planned LNG terminals on the horizon.

Algeria, a longtime energy exporter to southern Europe, therefore has the chance to increase its sales to the whole continent dramatically. By doing so, Algiers will benefit both economically and diplomatically, since it will acquire reinvigorated importance in Washington's agenda as a crucial partner to Europe's quest for energy independence, something the U.S. has long prioritized. In fact, Algeria has already harnessed this new dynamic by signing a mammoth energy **deal (<https://www.euronews.com/2022/07/18/italys-draghi-visits-algeria-for-gas-talks-while-political-crisis-continues-at-home>)** with Italy in April 2022. The agreement will render Algeria Italy's largest gas supplier, supplanting Russia's hold on this position for many years.

Apart from addressing its isolation in the Mediterranean, Algiers must restore its ties with France and Spain to benefit the country's fragile economy. It urgently needs to access large European markets to profit from the soaring energy prices and to exploit the West's aspirations to end Russia's quasi-monopoly on energy exports to Europe. The latter will also bring Washington's attention back to the region. It's a fine line—Algeria must also address its economy's over-dependency on the oil sector and the economic precariousness that this entails. Like other victims of the 'Dutch disease,' exports become more expensive and its imports cheaper resulting in the decay of other crucial sectors of the economy.

Algeria's challenge in managing its energy exports is also linked with the galloping domestic demand for energy. The conditions are ideal for Algiers to embark on a rally of energy exports in order to fully recover from the economic regression triggered by Covid-19, but it should do so without neglecting the considerable increase in the country's population every year, which will translate into growing energy demand domestically.

Nevertheless, a reset with Algiers' northern neighbors is in order. For such a rapprochement with France and Spain to occur, Algeria should temper the nationalist discourse that permeates its foreign policy with pragmatism and emphasize on the benefits it can reap through further robust trade agreements with its European energy partners. Nor can the thawing Franco/Spanish-Algerian relations be a one sided effort. On their end, Madrid and Paris should also appease Algiers by refraining from raising controversial and sensitive issues, against the latter, and by not publicly siding with Morocco on the Western Sahara issue.

In France's case, Champs Elysées seem to understand that and appear willing to take steps towards the easing of tensions. President Macron's recent appeal to his Algerian counterpart demonstrates the French desire for rapprochement. On the occasion of the 60<sup>th</sup> anniversary of the Algerian independence, the French leader sent a **letter (<https://www.aa.com.tr/en/europe/france-s-macron-wants-strong-ties-with-algeria-on-former-colony-s-60th-anniversary-of-independence/2630739>)** to President Tebboune calling for the 'strengthening of the already strong Franco-Algerian ties'.

Algeria is perhaps in the most critical period in its diplomatic history since the end of the civil war in the 1990s. Pressing challenges on one side and promising opportunities on the other form the current geopolitical environment. Algeria must recognize this, and that as the war in Ukraine continues to reshape broader multilateral relations, Algiers must determine whether it maintains neutrality or drifts further into the revisionist camp—a decision that will affect its position in the regional and the international systems. ❖

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