The bloody three month-long standoff over crude oil export terminals in eastern Libya earlier this summer served as a stark reminder that the United Nations are nowhere nearer to finding a political solution than they were when they started nearly seven years ago. One often overlooked consequence of this bloody stalemate is that it casts a long shadow over Algeria and Tunisia with which Libya shares long and porous borders.

Seven years ago, Italian and Algerian officials warned France, the UK and the US of the huge risks for regional security were Libya to disintegrate. Backing the military operation, NATO paid no heed to such warnings, despite what had happened in Iraq since 2003.

Italy has borne the brunt of the large increase in immigrants and refugees from Libya. Unsurprisingly, its leaders have grown exasperated at the EU’s incapacity to think strategically and especially with French President Macron’s attempt to steal the diplomatic show. Late last May, after convening a meeting of Libyan political and military leaders in Paris, Macron proclaimed an ambitious plan for parliamentary elections on 10 December. By September these brave words looked little more than diplomatic bravado.

Mr Macron’s diplomatic skills are also coming up against the Algerian scepticism as to France’s real intentions in Libya and the Sahel countries south of the Sahara. Increasing terrorist attacks there since 2011 have been attributed to ill-defined groups often presented as linked to al-Qaeda in the Islamic Maghreb (AQMI), founded two decades ago. But often they are smugglers and racketeers feeding on long standing ethnic and economic grievances.

Senior Algerian security and diplomatic actors are also very unhappy at the involvement of Qatar and the United Arab Emirates. Both countries have strong links with successive French presidents and Algerians understandably fear the presence of rich Gulf outsiders will further complicate the situation, particularly in Tunisia, in whose stability Algeria has invested heavily with troops and money.

Qatar is far less active in Libya today than immediately after the revolution but the United Arab Emirates blatantly support General Haftar, the strong man of Benghazi in the belief, which the Algerians do not share, that only he can save Libya from the Islamists. In Tunisia, both countries use money to grease the wheels of democratic but very corrupt party politics.
**Turmoil in Libya weakens Tunisia**

The fall-out from Libya continues to impact negatively on Tunisia’s economic growth prospects. The World Bank estimates the Libyan crisis “may have contributed 24% to the overall drop in growth over the five year period from 2011 to 2015”. This amounts to a 2 percent loss of GDP per year. The crisis has spawned a large increase in smuggling between the two countries, the more dangerous aspect of which has been weapons and drugs. Cheaper Libyan petrol continues to course in the economic veins of southern Tunisia.

Habib Sayah, the director of the Kheireddine Institute in Tunis argues that Libya has “quite unjustly” been framed as the primary source of terrorist threat in Tunisia by Tunisian decision-makers “who have difficulty acknowledging the domestic root causes of the phenomenon.” In fact, he says, Libya has provided “Tunisian jihadi networks with strategic depth”. After 2011 Libya became the centre of gravity of the Tunisia-Syria axis. Flows of foreign fighters in the region are complex and constantly shifting and remain a constant worry for Tunisia and Algeria’s security services. Networks of caches containing large quantities of weapons from Libya have been found in southern Tunisia and although electronic surveillance of the border has improved, Tunisia fears a re-aggregation of Libya-based fighters seeking refuge in their home country after the degradation of Islamic State’s Libyan structure.

**President Bouteflika strengthens his grip on power**

The unprecedented attack on the Algerian gas field of Tigentourine, close to the country’s border with Libya in January 2013, led to huge damage which cost the state oil company Sonatrach billions of dollars in lost production, damaged gas treatment plants and, now that gas production has resumed, much higher insurance costs for foreign workers. Beyond that, the much larger Algerian economy has not suffered too much from the crisis in Libya.

The attack became the excuse for Bouteflika to sack the long standing head of security General Mohamed Mediène on the (false) pretext that he should have been able to prevent it. Bouteflika has since made major changes in the army and police. Power is concentrated in the presidency to an extent unknown since independence in 1962.

Tigentourine led to a massive redeployment of the Algerian army from the country’s western frontier to the Libyan border. The high command went on an arms buying spree worth tens of billions of dollars. Large army bases were built in south eastern Algeria to deal with the changed situation. Following Tigentourine, the Algerian army was forced to build a private airport to service the gas processing plant there, deploying 20,000 troops stationed in 400 forward operating bases to secure the country’s border with Libya. Helicopters and surveillance aircraft patrol the border. The price tag for this better security is estimated to be $1bn over five years.

In domestic terms, the Libyan crisis has allowed Mr Bouteflika to further muzzle civilian society as many Algerians remain fearful that Tunisia and their own country might be destabilised. New challenges have sprung up however, which the Algerian security expert, Akram Kharief sums up.

1) Closing the border with Libya has disrupted the traditional flows of trade between the Touareg tribes on both sides of the frontier. The shooting of a Touareg smuggler by the army on 24 August led to barracks around and in Djanet being besieged by local people who succeeded in convincing the army to allow trans-border flows to resume to some extent. A retrabalisation of public life is under way with all the consequences that entails.
2) Racial and ethnic tensions between blacks and whites, Arabs and Berbers and workers in the gas fields whom come from the north of Algeria have been exacerbated.

3) To this must be added the spillover effects of rivalries between the Toubous and Touaregs in south western Libya, some of whom have links with AQMI. This region is going through much violent turmoil but seldom mentioned in western reporting of Libya.

4) Illicit flows of weapons have increased and AQMI is able to use south western Libya, to some extent as a safe haven.

Algeria’s official policy of none-interference abroad has been sorely put to the test. Since 2013, the country’s special forces have intervened in Libya and Mali on a number of occasions, at times in operations synchronised with US and French special forces. Senior Algerian army officers are deeply worried at the proliferation of increasingly sophisticated weapons among the country’s immediate neighbours along its vast and difficult to patrol Saharan borders. Nor do they believe that the multiplication of foreign state and private armed forces (most recently Russian and Ukrainian, notably in Central Africa) will help to re-establish stability in the region. Western media and French and American governments see every local conflict through the prism of AQMI. In the Algerian view, this does not offer the right strategic approach. But lack of economic reforms at home and constant political infighting around the president have dampened what might otherwise have been a much more pro-active diplomacy and for that the Algerians only have themselves to blame. Nor do Algerian leaders, unlike their Moroccan peers, believe in the influence of soft power and public diplomacy. Their arguments thus never reach a broader audience in Europe and beyond.

France risks being side-lined in Libya and in the Sahel unless it accepts that Algeria has strategic interests in a region which is changing fast. The US is very present in Africa’s largest country but less interested in playing an EU compatible card than might once have been the case. Relations between France and Algeria go back nearly two centuries and have often been fractious. But, as with Italy, trying to upstage those two countries hardly constitutes a viable strategy.