

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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Algeria: Foreign Policy Dynamics and US Interests

Summary

The socialist government of President Chadli Bendjedid has taken several diplomatic actions this year that we judge are at odds with US and Western interests. We also believe that during his nine years of rule Bendjedid has crafted a foreign policy that can be characterized as a pragmatic pursuit of national interests consistent with his country's traditional leftist ideals and principles. Enduring domestic and foreign factors -- a revolutionary legacy, a pro-Soviet socialist opposition to the President within the military and ruling party, and a military supply dependence on the Soviet Union -- will inhibit far-reaching changes in Algerian foreign policy. Under Bendjedid, Algeria probably will continue to seek the role of intermediary between radical and moderate Arab states. Longer-term prospects for improved relations with the United States and the West are enhanced by internal economic and administrative reforms that are underway and the need for advanced technology, but Algeria's outreach to Washington will remain motivated more by opportunism than a convergence of political views.

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This memorandum was prepared by [redacted] Office of Near Eastern and South Asian Analysis. Comments and queries are welcome and may be addressed to the Chief, Arab-Israeli Division, NESA [redacted]

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Algeria has been especially active on the diplomatic front this year:

--The Algerians are sponsoring an Arab League Summit scheduled to begin on 7 June in Algiers. Although Algeria ostensibly is not opposed to current US peace efforts, the Summit has the potential of adopting resolutions that will harden the positions of Arab moderates on the modalities for a peace conference under international auspices.

--In April, Bendjedid gave the hijackers of a Kuwaiti airliner safe transit out of the country as a condition to help secure the release of hostages.

--In addition, the Algerians continue to offer facilities to radical Palestinians involved in terrorism as part of an ongoing effort to foster reconciliation in the PLO and to support Palestinian operations against Israel.

--For much of the past year Algeria made intense efforts to draw Libya into a regional treaty organization that we believe would have been detrimental to the interests of pro-Western Morocco and Tunisia.

--Bendjedid also has worked behind the scenes in the OAU to support Libya's position in the Chad conflict. [redacted]

These actions stand in contrast to Algeria's official position against terrorism, its hostility toward Libyan leader Qadhafi, its previous tilt toward France in Chad, and its low-key position within the Arab League in recent years on the issue of the Middle East peace process. [redacted]

At the same time, Bendjedid has taken steps that demonstrate his flexibility and willingness to adopt moderate positions. In mid-May, Algeria renewed diplomatic ties with Morocco, its main adversary, after a 12-year hiatus. The Algerians heretofore had adopted a hard line, demanding concessions from King Hassan on the Western Sahara dispute as a precondition for an exchange of ambassadors. In addition, press and Embassy reporting indicate that Bendjedid is moving to restore ties with Egypt, even though Algiers officially remains opposed to the Camp David accords that led all Arab states to break with Cairo. [redacted]

#### What is Bendjedid Up To?

Foremost among Bendjedid's motives is the enhancement of Algeria's security. His courtship of Libya was designed to settle longstanding border problems, to neutralize potential subversion by Qadhafi, and, most importantly, to isolate Morocco in the Maghreb with the hope of gaining concessions from Hassan on the Western Sahara dispute. To show good faith, Bendjedid has supported Libya against Chad and encouraged renewed relations between Libya and Tunisia. Bendjedid probably

reversed course and decided to restore diplomatic relations with Morocco because of Libya's unwillingness to join a pact against Rabat. We believe Bendjedid now hopes that cooperation with Morocco will prove more effective than military pressure to achieve a political settlement of the low-level war over Western Sahara, which increasingly appears to be a losing cause for the Algerian-backed Polisario Front insurgents. [redacted]

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The Algerians probably decided to get involved with Hizballah's hijacking of the Kuwaiti airliner hoping to achieve a quick resolution and credit for saving lives. Once involved, their self-confidence in dealing with radicals may have led them to believe they could strike a broader deal regarding the Dawa prisoners in Kuwait and Western hostages in Lebanon. Bendjedid has been searching for a diplomatic coup as a backdrop for his nomination to a third, five-year term in office and election early next year. [redacted]

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The President probably hopes the Arab League Summit, and its focus on the Palestinian uprising, will provide such a foreign policy success. Renewed ties with Morocco induced King Hassan to attend the meeting in Algiers. Bendjedid almost certainly is seeking Egyptian attendance as well to ensure the presence of other moderate Arab states and to claim credit for unifying Arab ranks. Algeria's support for Palestinians of all persuasion stems mainly from the high value Algerians place on their traditional self-image as reconciler of Arab disputes. As the only Arab people to fight a bitter, revolutionary struggle for independence, Algerians have reacted strongly to the Palestinian uprising in Israel -- the methods used by Tel Aviv to quash Palestinian protesters are similar to those employed by the French army and colonialists in Algeria. [redacted]

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The Algerians question recent moves by Washington that appear to them to be insensitive to Algerian and Arab interests. The government believes that the latest US peace effort is designed to help the Israelis restore order in the occupied territories, that Washington bears partial responsibility for the April assassination of the PLO's Abu Jihad in Tunis, and that US officials have been unfairly critical of Algiers' success in freeing the Arab hostages aboard the hijacked Kuwaiti airliner. Algerian suspicions of the United States are also fed by concern over strengthened US-Moroccan military ties since King Hassan abrogated his treaty with Libya in 1986. [redacted]

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#### Old Restraints Versus New Demands

Algerian foreign policy almost certainly will follow the current pattern over the next year. In our view, internal divisions among Algeria's ruling elite will inhibit far-reaching changes in foreign policy. The regime, for example, still includes an important faction of leftist hardliners, largely within the country's ruling National Liberation Front but also within the Army, who oppose Bendjedid's attempts to promote domestic reform, to weaken military ties with the Soviets, and to begin a political dialogue with Morocco, the United States, and other Western states. Although Bendjedid gradually has consolidated his authority over the military, party, and government, he

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does not have the power to force compromise on key issues such as Morocco and the Western Sahara conflict. [redacted]

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Algeria's vital military and economic ties with the Soviet Union work to the advantage of Bendjedid's opponents. The President and Algerian military leaders want to become less dependent upon the Soviets for weaponry, but economic problems have reduced the funds available for more expensive Western arms. Despite Bendjedid's visit to Washington in 1985 -- the first by an Algerian leader -- the value of Soviet sales has increased. Algeria's financial debt of about \$2 billion to Moscow and its reliance on about 800 military and 2,000 civilian advisers, gives the Soviets political leverage in Algiers. As part of the political price for favorable terms for military sales and debt repayments, Algiers consistently supports the Soviets in the United Nations on Afghanistan and Cambodia, allows Soviet naval port calls, and permits Soviet military overflights to points south in Africa, such as Angola.

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Economic problems, dissatisfaction with the socialist economic model, and gradual modernization of the country, however, are improving the long-term prospects for Algerian relations with Western countries. Even many of Bendjedid's critics recognize that the regime must undertake significant reform of the heavily state-controlled agricultural and industrial sectors if the country hopes to reverse its economic decline, address problems associated with rapid population growth and urbanization, and promote efficiency in the bureaucracy. Bendjedid's solution is partial privatization of the state enterprises, and limited decentralization of government. The Algerian need for quality goods and services and technical assistance will provide opportunities for greater Western access and influence. [redacted]

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#### Implications for the United States

Despite recent bilateral strains, we believe Bendjedid wants to maintain firm ties with the United States and pursue joint cooperative ventures. The approach of Bendjedid and other Algerian leaders toward the United States, however, will continue to be based on utilitarian motives rather than shared beliefs. They view the United States as a source of technology, an alternative to France for cheap food, and a ready market for gas. They probably also believe that good ties are necessary to ensure that Washington will maintain its official neutrality toward the Western Sahara dispute. We believe Algeria will remain selective in its support of US diplomatic interests to protect Algiers' broader, primary diplomatic equities with the Soviet Union, with other Arab states, and with France. [redacted]

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