



Legal security as a pillar of economic stability

The algerian experience in counter-terrorism and prospects for
its application in africa

september

—2026—

Prepared by:

Faisi Amina SNR vice president

Chapter One

The Conceptual Framework of the Relationship Between Terrorism and Economic Stability

Section One

The Nature of Terrorism and Economic Stability



Terrorism is one of the most complex legal and political concepts, as the international community, despite the multiplicity of international and regional conventions, has not managed to reach a unified definition commanding the consensus of states. This is due to divergent political interests and differing legal systems, in addition to the overlap between terrorism and certain forms of legitimate struggle for self-determination. Linguistically, the origin of the term relates to instilling fear and dread. Legally, terrorism refers to any criminal act committed deliberately through the use of violence or the threat thereof, with the aim of disturbing public order, undermining the security of the State, or compelling public authorities or an international organization to act or refrain from acting. National legislations have adopted broadly similar definitions, and international and African conventions have sought to identify the elements of this offence without arriving at a comprehensive definition, owing to the continuous evolution of the methods used by terrorist organizations and the divergent political, ideological, and economic motives driving them.

Terrorism is characterized by a number of features, most notably:

- Reliance on organized violence to achieve political, religious, or economic objectives.
-
- Instilling fear and dread among members of society beyond the direct victims.
 - Targeting State institutions, infrastructure, or civilians.
 - A cross-border character, through cooperation between terrorist organizations and organized crime networks.
 - The use of modern technology and social media in recruitment, financing, and propaganda.
 - These features confirm that terrorism is no longer a mere conventional crime, but has become a compound threat affecting national and international security and directly impacting the economy, investment, and development.



Subsection Two: The Concept of Economic Stability and Its Relationship to Security

Economic stability refers to the state in which a national economy enjoys a degree of balance and sustainability that allows for economic growth, price stability, investment promotion, and job creation, together with the State's capacity to confront internal and external crises.

Security is one of the most important pillars of economic stability, since sustainable development cannot be achieved amid the spread of terrorism or armed conflict, given the resulting decline in economic activity, falling production, capital flight, and the growing burden of security and military expenditure at the expense of development spending.

- Numerous economic studies confirm that the relationship between security and development is a complementary one: the higher the level of security and political stability, the greater investor confidence, the more the business environment improves, and the higher economic growth rates rise — whereas terrorism disrupts investment projects, weakens international trade, reduces tourism, and increases unemployment and poverty.

Terrorism also has a direct impact on public finances, owing to increased spending on security and defense, declining tax revenues, and reduced foreign investment, which in turn negatively affects economic and social development indicators.

Accordingly, counter-terrorism is no longer viewed as a purely security matter, but has become an economic and developmental policy aimed at providing a secure environment that ensures the continuity of economic activity and the achievement of sustainable development

Subsection Three: The Regional Dimension of Counter-Terrorism and Algeria's Preliminary Role

- Counter-terrorism is no longer a purely national matter, given the cross-border nature of the phenomenon, which has driven the states of the Sahel and Sahara region to seek joint regional cooperation mechanisms. By virtue of its geographic position and its borders extending with seven countries, together with its long experience in confronting terrorism domestically, Algeria is a pivotal actor in this endeavor, seeking to promote its legal and security model and transfer its achievements to its regional surroundings.
- This is reflected in two principal initiatives: the first institutional, namely the establishment of the Joint Operational Staff Committee (CEMOC) in April 2010 in the city of Tamanrasset in southern Algeria, comprising, alongside Algeria, Mali, Mauritania, and Niger, with the aim of coordinating security and military operations in the Sahel-Sahara region as an alternative to foreign intervention. The second is political-legal, namely Algeria's sponsorship of the Peace and Reconciliation Agreement in Mali, signed in Algiers on 1 March 2015 between the Malian government and the Azawad movements, known as the "Algiers Process."
- It is nonetheless essential to draw a precise distinction between the nature of this role and its limits: the 2015 agreement addressed the political-separatist dimension of the Malian crisis (the demands of the predominantly Tuareg Azawad movements), and was not, strictly speaking, an agreement to combat jihadist organizations, which have continued their activity in Mali uninterrupted since the emergence of Al-Qaeda in the Islamic Maghreb, and later the coalition Jama'at Nusrat al-Islam wal-Muslimin (JNIM) from 2017 onward. Indeed, the transitional authorities in Bamako announced in January 2024 their withdrawal from implementing the Algiers Agreement, and the security situation in Mali deteriorated severely during 2026, as the jihadist group JNIM merged with the separatist Azawad Liberation Front in a hybrid field alliance that carried out coordinated attacks in April 2026 reaching the capital Bamako itself, resulting in the killing of Mali's Minister of Defence, alongside an effective blockade of the roads leading to it.

This contrast between the two cases carries an important analytical significance in support of this study's problem statement: Algeria succeeded in eliminating the terrorist threat domestically because it combined security deterrence, legal reform, and a comprehensive national reconciliation process within the institutions of a stable State, whereas attempts to transfer elements of this model to neighboring countries have run up against the absence of the same structural conditions (fragile institutions, successive military coups, and the absence of a genuine, comprehensive national reconciliation process).

This confirms that benefiting from the Algerian experience cannot be achieved merely by transferring security-cooperation mechanisms such as CEMOC, but requires the availability of an integrated internal legal and institutional framework comparable to that achieved in Algeria.

With Niger, Algeria has continued to activate bilateral security cooperation through joint border patrols and intelligence-sharing within the framework of the joint operations group headquartered in Tamanrasset, cooperation that has been repeatedly reaffirmed during meetings of the joint high committee between the two countries. This partnership carries a direct economic dimension, as border security is linked to joint strategic projects such as the Trans-Saharan Gas Pipeline and overland trade corridors, reflecting the interdependence between security and economic stability at the level of the entire regional space, not merely at the national level.

Conversely, the continued deterioration of security stability in northern and central Mali — accompanied by the halt of economic activity, the disruption of trade routes, and capital flight — provides an opposing empirical illustration reinforcing this study's second hypothesis, namely that legal security is a fundamental condition for achieving economic stability; comparison shows that the absence of such security necessarily produces a parallel economic decline, just as its achievement in Algeria after the 1990s produced a tangible improvement in the investment climate. The internal Algerian experience itself, with its legal and institutional framework, will be examined in detail in the subsequent chapters of this study.

Section Two:

The Relationship Between Counter-Terrorism and the Achievement of Economic Development

Subsection One: The Impact of Terrorism on Economic Development and Investment

The effects of terrorism are not confined to security and humanitarian dimensions but extend to various economic sectors, making it one of the most prominent obstacles to sustainable development. Every terrorist act directly or indirectly affects the business climate, weakens investor confidence, and increases economic risk, which in turn negatively affects growth rates, employment opportunities, and living standards.

International data confirms the tangible scale of this impact: the Global Terrorism Index, issued by the Institute for Economics and Peace, estimates that the global economic cost of terrorism peaked in 2014 at around US\$111 billion, coinciding with the peak of ISIS activity, before falling to approximately US\$33 billion in 2018, with a cumulative total of around US\$855 billion over the period 2000–2018. This cost includes losses arising from deaths, injuries, property destruction, and reduced GDP, reflecting the dual character of terrorism as both a security/humanitarian threat and an economic one.

Terrorism also disrupts development projects, causes severe damage to infrastructure, and depletes State financial resources by diverting them toward security and military operations rather than education, health, housing, and scientific research. Domestic and foreign trade are likewise directly affected by terrorist acts, owing to disrupted transport, higher insurance costs, and disrupted supply chains, leading to a decline in national production and exports.

In the African context specifically, the impact of terrorism has grown more severe: data from the 2024 Global Terrorism Index indicates that sub-Saharan Africa now accounts for close to 59% of total terrorism-related fatalities worldwide, with the epicenter of the phenomenon having effectively shifted toward the Sahel region, which today comprises the most affected areas in the world. This fragility is compounded by extensive land borders and the weakness of certain national economies, directly threatening the implementation of regional economic projects, foremost among them the African Continental Free Trade Area (AfCFTA), which is itself premised on the free movement of goods, services, and investment within a secure and stable environment.

The Role of Counter-Terrorism in Promoting Economic Stability:

Counter-terrorism serves as a fundamental lever for achieving economic stability, as its effects extend across the various pillars of a state's economic activity. On the investment front, counter-terrorism efforts help restore the confidence of both domestic and foreign investors, reducing the risk premium associated with the investment climate, thereby encouraging the inflow of capital and foreign direct investment. It also ensures the protection of critical infrastructure – such as energy, transportation, telecommunications, and banking sectors – from direct targeting, thus preserving the continuity of production and services and avoiding the heavy reconstruction costs that could burden the national budget.

The impact of counter-terrorism also extends to the sectors most sensitive to security conditions, such as tourism and domestic and foreign trade, which are directly affected by any security disruption – whether through the collapse of tourism revenues or the disruption of transport routes, ports, and border crossings. Furthermore, cutting off the sources of terrorist financing protects the banking and financial system from exploitation and preserves the state's reputation before international financial institutions, thereby shielding it from sanctions or economic restrictions.

Moreover, the security stability resulting from counter-terrorism reduces the need for exceptional military and security expenditures, freeing up public budget resources to be redirected toward development sectors such as education, health, and infrastructure rather than purely defensive spending. It also helps maintain labor market stability and sustained productive activity by preventing the displacement of labor and capital from areas affected by insecurity.

Finally, a state's ability to control its internal security enhances its institutional standing and positively affects its sovereign credit rating, facilitating access to international financing and loans on more favorable terms. This underscores the organic relationship between security and development, as sustainable economic stability cannot be achieved without a security environment free from terrorist threats.

Chapter Two

The Algerian Experience in Counter-Terrorism and Its Impact on Achieving Economic Stability

The Algerian experience in counter-terrorism is among the most prominent African and Arab experiences to have succeeded in moving from a phase of purely security-based confrontation to the construction of a comprehensive policy combining security measures, legal reforms, national reconciliation, and international cooperation. The circumstances Algeria lived through during the 1990s, known as the "Black Decade," compelled a fundamental review of the State's legislative and institutional framework, so as to safeguard national security, preserve State institutions, and achieve the stability required to resume the path of economic development.

Algeria's success in restoring security was not the result of security solutions alone, but the fruit of an integrated approach based on legislative development, strengthening the role of the judiciary, drying up sources of terrorism financing, and launching national reconciliation processes — all of which was gradually reflected in an improved economic climate and the restoration of investor confidence.

To address this topic systematically, this chapter is divided into three sections: the first examines the causes behind the emergence of terrorism in Algeria; the second traces the evolution of the Algerian legal system in combating this phenomenon; while the third is devoted to studying the repercussions of this counter-terrorism effort on economic stability, this last axis being the core of the chapter's problem statement



Section One

Causes Behind the Emergence of Terrorism in Algeria

Subsection One: Political Causes

Algeria witnessed, at the end of the 1980s and the beginning of the 1990s, profound political transformations, embodied in the transition from a single-party system to political pluralism following the 1989 Constitution. Although this transition marked an important step toward democratic openness, the 1991 electoral process, and its subsequent suspension, led to an acute political crisis that certain armed groups exploited to justify resorting to violence.

The weakness of political dialogue, and the absence of national consensus during that period, contributed to widening the circle of violence, as certain currents moved from political action to armed action, undermining internal security and weakening State institutions.

Reducing the phenomenon of terrorism to the political factor alone, however, does not reflect the reality of the situation, since terrorism is the product of a set of interlocking political, economic, social, and ideological factors — a conclusion confirmed by most legal and sociological studies.

Subsection Two: Economic and Social Causes

Economic and social factors constitute one of the most important causes that facilitated the spread of terrorism, as Algeria experienced during that period an economic downturn resulting from falling oil prices and rising unemployment, particularly among youth, alongside a housing crisis and declining purchasing power — coinciding with the implementation of the structural adjustment program, which imposed additional constraints on public spending.

Social disparities and the widening scope of poverty in certain regions also provided a fertile environment for the recruitment of youth by terrorist groups, which exploited difficult economic conditions to present themselves as an alternative capable of achieving social justice. Furthermore, weak local development in certain rural and mountainous areas facilitated the spread of armed groups, which took advantage of rugged terrain and the remoteness of some areas from urban centers.

This does not mean that poverty necessarily leads to terrorism, but rather that it constitutes one of the contributing factors when combined with others, such as ideological extremism, weak institutions, and a political vacuum.

Subsection Three: Intellectual and Cultural Causes

Alongside political and economic factors, hardline ideological discourse played a role in framing violence and lending it a doctrinal cover, as certain groups exploited social tension to spread extremist interpretations that contributed to the recruitment of a segment of youth, particularly amid the weakness of official counter-religious discourse and the shortcomings of intellectual awareness programs during that period. This factor, like those preceding it, remains a contributing one that cannot be separated from the broader political and social context.

Section Two The Evolution of the Algerian Legal System in Counter-Terrorism

Subsection One: The Phase of Security and Legislative Confrontation

As terrorist acts escalated in the early 1990s, the Algerian legislature moved to enact an exceptional body of legislation to protect public security, the most prominent of which was Legislative Decree No. 92-03 of 30 September 1992 on Combating Subversion and Terrorism – the first Algerian legislative text to set out a legal definition of terrorist and subversive acts and to criminalize them.

The Penal Code subsequently reinforced this criminal protection against terrorist offences, through amendments introduced under Article 87 bis and the following articles, by expanding the scope of criminalization to include establishing terrorist groups, joining them, financing them, and providing them with logistical support, with harsher penalties whenever offences affected State security or the safety of citizens.

In addition, specialized judicial structures were established for the investigation and prosecution of terrorist offences, and the powers of the investigating judge were expanded, including the extension of territorial jurisdiction and of pre-trial detention periods for this category of offences, so as to allow for their expeditious adjudication while, in principle, respecting the fundamental guarantees of a fair trial.



Subsection Two: The Phase of Civil Concord and National Reconciliation

Algerian policy after 1999 was marked by the adoption of a new approach combining legal deterrence with national reconciliation. Law No. 99-08 of 13 July 1999 on the Restoration of Civil Concord was enacted and approved by popular referendum on 16 September 1999, granting partial or full amnesty to members of armed groups whose hands had not been stained by blood crimes, rape, or explosives-related sabotage.

This was followed by the Charter for Peace and National Reconciliation, which received broad popular approval in the referendum of 29 September 2005 and entered into force by virtue of Order No. 06-01 of 27 February 2006 implementing the Charter for Peace and National Reconciliation, which broadened the scope of amnesty and included provisions on compensating victims of the "national tragedy" and addressing the file of the disappeared. This policy contributed to a significant reduction in the number of terrorist operations and to the restoration of security across most of the country, enabling the State to redirect its resources toward reconstruction and reviving economic development. At the same time, Algeria continued to modernize its legal system in line with international conventions, particularly in the field of combating money laundering and terrorism financing, through the enactment of dedicated legislation and the establishment of specialized regulatory bodies such as the Financial Intelligence Processing Unit, alongside strengthening judicial and security cooperation with States and regional and international organizations.

Chapter Three

The Impact of the Algerian Model on Achieving Economic Stability and Prospects for Benefiting from It in Africa



- International experience has shown that security and stability form the foundation for achieving economic development, as a prosperous economy cannot be conceived amid the spread of terrorism and armed violence. In this context, Algeria, after years of confronting terrorism, has managed to move from a phase of restoring security to one of economic reconstruction, which has been reflected in an improved investment climate and greater confidence among economic actors. This experience has also drawn increasing attention within the African continent, given the similarity of the security challenges facing many States, particularly in the Sahel and Lake Chad Basin regions.
- This chapter, as the one that directly answers the study's problem statement, seeks to analyze the economic impact of counter-terrorism in Algeria (Section One), before identifying the international and African legal framework within which this impact is situated (Section Two), and ultimately drawing out the prospects for benefiting from the Algerian experience at the African level (Section Three).

- **Section One**
- **The Impact of Counter-Terrorism on Achieving Economic Stability in Algeria**
- **Subsection One: The Impact of Restored Security on Investment**
- Legal and security stability is one of the most important conditions on which investors rely when making investment decisions, since capital movement is closely linked to the degree of a State's political and security stability. During the period of rising terrorism in Algeria, the country experienced a marked decline in the volume of both domestic and foreign investment, owing to heightened security risks, the disruption of numerous economic projects, and damage to infrastructure.
- The gradual improvement of the security situation, particularly following the adoption of the Civil Concord policy (1999) and the Charter for Peace and National Reconciliation (2005–2006), helped restore confidence in the national economy. Major projects resumed activity, the business climate improved, and the State's capacity to implement development programs increased, particularly in the fields of transport, energy, housing, and infrastructure, through the economic recovery support programs launched at the turn of the millennium.
- Security stability also encouraged international financial institutions and foreign companies to engage with Algeria, particularly in the energy, telecommunications, and public works sectors — confirming that the success of the security policy had direct repercussions on economic activity, although accurately measuring this impact would require reliance on official quantitative indicators when this line of analysis is expanded.

Subsection Two: The Role of Counter-Terrorism Financing in Protecting the National Economy

The Algerian legislature recognized that combating terrorism is not confined to pursuing armed elements, but also encompasses drying up the sources of financing that form the backbone of continued terrorist activity. To this end, it worked to develop the legal framework relating to combating money laundering and terrorism financing, in line with international conventions and the recommendations of the Financial Action Task Force (FATF), including through the establishment of the Financial Intelligence Processing Unit (CTRF) tasked with monitoring suspicious financial transactions.

This legislation has helped enhance the transparency of financial transactions, tighten oversight of financial and banking institutions, and limit the use of the financial system to finance criminal activity – thereby strengthening confidence in the national economy and improving Algeria's international standing before bodies such as the Middle East and North Africa Financial Action Task Force (MENAFATF).

Economically, drying up sources of terrorism financing has a positive effect on protecting markets, reducing the size of the informal economy, and curbing the financial crimes that affect economic stability.

Section Two

The International and African Legal Framework for Counter-Terrorism

Subsection One: International Conventions and Resolutions

The international community has recognized that terrorism is no longer a purely domestic offence but has become a threat to international peace and security, leading to the adoption of a number of specialized international instruments, most notably the International Convention for the Suppression of the Financing of Terrorism of 1999 and the United Nations Convention against Transnational Organized Crime (the Palermo Convention) of 2000.

Alongside these conventions, the UN Security Council issued a series of binding resolutions under Chapter VII of the UN Charter, foremost among them Resolution 1373 of 2001, adopted in the wake of the September 11 attacks, which obliged States to criminalize terrorism financing, freeze terrorist assets, and strengthen judicial and security cooperation and information-sharing. The Council subsequently adopted Resolution 2178 of 2014 on the phenomenon of foreign terrorist fighters, followed by Resolution 2462 of 2019, which strengthened counter-terrorism financing measures and reaffirmed the substance of Resolution 1373.

This international framework constitutes the frame of reference on which Algeria drew in developing its national legislation criminalizing terrorism and its financing, as noted earlier in Section One.

Subsection Two: The African Legal Framework and the Role of the African Union

At the continental level, the OAU Convention on the Prevention and Combating of Terrorism is the most important instrument in this field. It was adopted by the Conference of African Heads of State and Government in Algiers on 14 July 1999 and entered into force on 6 December 2002. The Convention set out a general definition of terrorist acts and affirmed the need for judicial and security cooperation between member States, while respecting the sovereignty of States and human rights.

The Convention was subsequently supplemented by an Additional Protocol adopted in Addis Ababa in 2004, which expanded the powers of the African Union Peace and Security Council in this field, alongside establishing coordination and information-sharing mechanisms — most notably the African Centre for the Study and Research on Terrorism (ACSRT), which is headquartered in Algiers, reflecting the standing of the Algerian experience in shaping this continental framework itself.

The African Union's Agenda 2063 has affirmed that economic development and continental integration cannot be achieved without security and stability, placing this African legal framework at the heart of any approach to economic development on the continent, including the African Continental Free Trade Area (AfCFTA), which entered into force in 2019.

Section Three

Prospects for Benefiting from the Algerian Experience in Africa:

The Algerian experience has demonstrated that combating terrorism requires a comprehensive approach that is not confined to security intervention, but also encompasses legislative reform, criminal justice, international cooperation, economic development, and national reconciliation – the very approach on which the international and African legal framework reviewed in the preceding section is itself based. In light of this, the possible ways of benefiting from the Algerian experience can be classified under three main axes:

First: At the Legislative and Institutional Level

Harmonizing African legislation on combating terrorism and its financing in line with international and African conventions.
Establishing a unified African network for the exchange of judicial, security, and intelligence information.
Strengthening judicial independence and developing judicial cooperation among public prosecution offices in African States.
Developing joint training programs for judges, lawyers, and law-enforcement agencies.

Second: At the Financial and Economic Level

Strengthening oversight of suspicious financial transfers in line with Financial Action Task Force (FATF) standards.
Linking security policies to economic development plans, and supporting local development programs in fragile border areas.

Third: At the Preventive and Societal Level

Adopting a preventive strategy to address the economic and social causes leading to extremism.
Investing in education and countering ideological extremism.
Activating the role of civil society and academic and university institutions in spreading a culture of peace and the rule of law.

It can be said that the Algerian experience should not be presented merely as a national experience, but as an African model capable of further development within a continental strategy based on the integration of security and development – particularly as terrorism in Africa has become a cross-border phenomenon requiring joint legal and institutional solutions, while taking into account the particularities of each State. The success of the African Continental Free Trade Area also remains contingent on the capacity of African States to provide a secure and stable legal environment, making legal security a precondition for economic integration rather than merely a consequence that follows from it

General Conclusion

This study concludes that terrorism does not represent merely a security challenge, but a major obstacle to economic development and institutional stability, which requires the adoption of a comprehensive approach combining security, legal, economic, and social measures.

The study has shown that the Algerian experience is among the most prominent African experiences in counter-terrorism, as the State succeeded, through the development of its legislative system, the strengthening of the judiciary's role, the adoption of the Civil Concord and national reconciliation policy, and the drying-up of terrorism financing sources, in restoring security and creating the conditions conducive to resuming economic development, within an integrated international and African legal framework.

The study has also established a close relationship between security and economic stability, as the improvement of the security situation in Algeria strengthened confidence in the national economy, improved the investment climate, and enabled the implementation of major development projects – confirming that security constitutes a foundation for achieving sustainable development.

At the African level, it has been shown that the success of economic integration efforts, particularly within the framework of the African Continental Free Trade Area, remains contingent on effective legal and security cooperation between States, which makes the Algerian experience a model that can be drawn upon in developing unified African policies for counter-terrorism

Findings

The existence of a complementary relationship between security and economic stability.

The success of the Algerian approach in combining legal deterrence with national reconciliation.

The importance of counter-terrorism financing in protecting the national economy.

The Algerian experience's alignment with an integrated international and African legal framework, which reinforces its legitimacy and its potential for generalization.

The need to strengthen judicial and security cooperation among African States.

The importance of unifying legal efforts to confront cross-border terrorist threats.

Recommendations

Updating national legislation to keep pace with the evolution of terrorist offences and of relevant international and African conventions.

Strengthening judicial and security cooperation among African States.

Supporting development programs in fragile border areas.

Intensifying training programs for judges, lawyers, and law-enforcement agencies in the field of counter-terrorism.

Developing joint African mechanisms to combat terrorism financing.

Integrating the economic dimension into national and regional counter-terrorism strategies



Merci !

Faisi amina

Téléphone

+213549350900

E-mail

Faisi-amina@hotmail.com

