



Competing for ransom: AQIM vs. Daesh

by Annelies Pauwels

In November 2014, Daesh announced its presence in Libya, a territory whose jihadist scene was hitherto dominated by the regional al-Qaeda in the Islamic Maghreb (AQIM). Rather than combining their efforts, both networks are currently competing with each other to attract fighters and supporters, and even more so to secure funding. The main target in their battle for money is the local kidnapping-for-ransom 'industry'. Although the escalation of violence between the two groups risks further destabilising Europe's southern neighbourhood, AQIM and Daesh are rendering themselves vulnerable by trying to outdo each other.

A lucrative business

In 2007, a North African Islamist organisation named the Salafist Group for Preaching and Combat pledged allegiance to al-Qaeda after being won over by the supposed advantages of becoming the local branch of a global terror network. However, this new group – rebranded AQIM – quickly found itself compelled to secure an income of its own: al-Qaeda had struggled to fund its various affiliates due to enhanced counter-terrorist financing measures introduced after 9/11. As a result, AQIM became heavily involved in illicit activities such as kidnappings, the cigarette trade, and (allegedly) migrant smuggling, thereby increasingly resembling a criminal organisation.

Largely due to Algeria's counter-terrorist efforts, and the need to intensify its illegal activities, the

AQIM network shifted its focus away from the Maghreb towards the Sahel, where its principal source of income became kidnappings.

Although kidnapping-for-ransom has long plagued the Maghreb and the Sahel, in 2008 the whole region began to witness a steep rise in the number of abductions by AQIM and its affiliates and offshoot organisations, such as al-Mourabitoun and the Movement for the Unity and Jihad in West Africa. Often outsourcing to local criminal groups, AQIM began to make so much money from abductions throughout southern Algeria, Mali, Mauritania and Niger that the activity eventually accounted for as much as 90% of its financial revenues. With the total value of its activities in the period 2010-2014 estimated at \$75 million, the affiliate became possibly even richer than al-Qaeda central.

But since 2014, AQIM's kidnapping business model has faced stiff competition from Daesh and its local affiliates. Daesh, with the international community squeezing its financial resources in Syria and Iraq, hopes to take advantage of Libya's security vacuum by expanding its 'caliphate', setting up training operations and recruiting new members, and gaining access to alternative financial resources.

Daesh is exploiting migrant-smuggling routes passing through the parts of Libya it controls, and is abducting locals as well as foreigners. This increased competition explains AQIM's violent reappearance on the terrorist stage, demonstrated by the recent

wave of attacks claimed by the group and its affiliates, and its *rapprochement* with al-Mourabitoun, the jihadist group created by the notorious commander Mokhtar Belmokhtar after his split from AQIM in 2012.

For money or for show?

For terrorist and non-state groups engaged in situations in which they are vying for theological legitimacy, recruits, weapons and funding opportunities (previous examples include Hamas and Fatah in the Palestinian Territories and the Official IRA and the Provisional IRA in Northern Ireland), maintaining a high profile in order to showcase strength and avoid possible defections is paramount. Abductions, particularly of Westerners, easily garner the attention of the international media. It is therefore no surprise that jihadist organisations have in the past used kidnappings to strengthen their position *vis-à-vis* competing groups.

The kidnapping-for-ransom business has paid off for Daesh, too: the group is estimated to have received \$35-\$45 million in ransom payments for local and international hostages in 2014 alone. However, the terrorist group highly values the display of atrocities with a view to install fear among local populations under its control and the international public alike. It has a history of filming and distributing graphic acts of violence: in February 2015 alone, for example, it burned the captured Jordanian pilot Muath al-Kasasbeh alive and also beheaded 21 Egyptian Coptic Christians on a Libyan beach.

Increasingly, groups are being forced to decide between the spectacle of kidnapping and its material benefits. In August 2014, despite being strapped for cash, Daesh chose the former when it beheaded the US journalist James Foley: the execution led to a 300% increase in English and Arabic media mentions that month and established the organisation's notoriety with the American public. In contrast, less than a week after Foley's beheading, Jabhat al-Nusra (Daesh's rival and al-Qaeda affiliate in Syria) released Peter Theo Curtis, a US citizen, after an alleged ransom payment through Qatari mediation.

To pay or not to pay?

Although an international legal framework prohibiting ransom payments to terrorist organisations exists, there is no investigatory mechanism through which the United Nations Counter-Terrorism Committee could prove violations and

request that the Security Council enforce the rules. In addition, terrorist organisations and governments alike often bypass these legal obstacles by relying on intermediaries to make or receive ransom payments. Algeria is leading calls for the international community to take a stronger stance against paying ransoms to terrorist organisations, something which once again demonstrates the importance of this illicit industry in the region.

Due to governments' reluctance to admit the payments let alone declare the amount paid, official figures are hard to obtain. However, it is estimated that al-Qaeda and its global affiliates have raised about \$145 million from 2010-2014, a huge part of which is believed to have been paid by European states. Governments are often torn between their reluctance to pay ransoms to terrorist organisations and the pressure to meet the demands of victims' families and general publics, which are often amplified by the media.

Divide and rule

Caught up in their attempt to outbid each other in Libya, both Daesh and AQIM now find themselves weakened. Although Daesh has not yet managed to significantly increase its finances, manpower and territory (despite laying claim to three '*wilayat*' or provinces, the group only controls a 300km coastal strip near Sirte), AQIM is struggling to retain its dominance and keep affiliated networks under its umbrella. This presents an opportunity for governments in their fight against the jihadists: the switches in allegiance create internal divisions; large-scale attacks by both networks may lead to a loss of support from the local population; and increased visibility puts the groups and their criminal activities on the radar of law enforcement officials.

To not give in to ransom demands would further undermine the networks' situation, depriving AQIM of its main source of income and preventing Daesh, desperate for money, to muscle in on the kidnapping business. Assisting local governments in providing greater socio-economic opportunities and fostering political inclusion is the best way to counter the narrative of both terrorist groups.

Finally, it will be necessary to expose their ideological deficiencies by showing potential recruits that these groups are, in essence, organised crime networks.

Annelies Pauwels is a Junior Analyst at the EUISS.

