

may have crystallised Russia's acknowledgement of its dependence on EU energy markets. Despite suggestions of a Russian energy pivot toward Asia, Gazprom's China gas deal remains hostage to increased LNG supplies, a weakening of Chinese demand and ongoing complications surrounding Gazprom's financing of its pipeline to China. Ironically, sanctions have exposed Gazprom's growing reliance on EU, especially as the company lobbies for an expansion of its Nord Stream pipelines, a need further exacerbated by the collapse of its South Stream

pipelines through the Balkans and a less than predictable relationship with Turkey.

Over the past six months, since EU secondary sanctions against Iran were lifted, businesses in the bloc are discovering the complexities of re-engaging with Iran's economy. But similar problems are also likely to complicate Russia's full reintegration into the financial and energy sector. As Russia prepares for presidential elections (and seeks to manage a growing budget deficit) and with major strategic decisions related to Ukraine on

the agenda (especially over gas transit contractual issues), the secondary long-term effects of targeted sanctions are likely to provide rude shocks to the Russian financial and energy sector, with consequences both for the economy and future policy debates on US–EU sanctions policy design.

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France: Learning the Lessons of Nice

Tahir Abbas



The attack in Nice has not just placed France's counterterrorism strategy under the spotlight. It has also increased pressure on the French authorities to build a more culturally inclusive society.

On the night of 14 July, after a terrorist struck Nice, France, initial reaction was to associate it with Daesh (also known as the Islamic State of Iraq and Syria, ISIS) or Al-Qa'ida. It quickly became apparent that a truck had driven 2 km through a Bastille Day celebration, zigzagging along the coastal highway to maximise casualties. Eighty-five people, including ten children, were killed in the attack and hundreds were injured, but it is only now that matters are becoming clearer.

The Nice attack was the third major attack in France in less than eighteen months. That the innocents killed so horrifically were celebrating Bastille Day was no accident in the grand designs of Mohamed Lahouaiej-Bouhlel, the attacker. The killing was indiscriminate: according to the Union of Muslims of the Alpes-Maritimes, at least 30 of the victims were Muslim, and there were nineteen nationalities among the victims.

So why did he do it? The explanations could be psychological

or sociological, or both. Lahouaiej-Bouhlel was a naturalised French citizen of Tunisian origin who had a relatively recent history of petty crime. He had severe difficulties at home and was estranged from his wife and family.

In many respects, Lahouaiej-Bouhlel was similar to other recent attackers, such as the brothers behind the *Charlie Hebdo* attack, Chérif and Saïd Kouachi, and those behind the attacks on the Bataclan theatre and Paris's bars and restaurants, which allegedly include Abdelhamid Abaaoud and Salah Abdeslam, among others. Alienated, experiencing some form of breakdown, isolated and at risk, these young men are vulnerable. Daesh claimed responsibility for the Nice attack and sought to capitalise on these comparisons. Far-right groups in France and across Western Europe also tried to gain credence for their political projects on the back of this attack.

While Daesh propaganda may have influenced Lahouaiej-Bouhlel's decision to carry out the attack, there

is no evidence to suggest that Daesh orchestrated the attack from outside France. In fact, Lahouaiej-Bouhlel's last-minute recruitment may well have been local. France's ongoing involvement with the War on Terror, specifically in Niger, Mali, Mauritania and Libya, is another indicator of the wider fight that France faces. As visitors to Nice found after the attack, there is a healthy degree of frustration at domestic and foreign policy among some French citizens.

Why did a major event of this nature happen in France again? In the past eighteen months, satirical magazine *Charlie Hebdo*, Jewish shoppers at a kosher supermarket, the Bataclan nightclub and theatre, a restaurant and the Stade de France national stadium have all been attacked.

Is there something peculiar about the French political project that makes the situation of its approximately 6 million Muslims – the largest Muslim minority population in Western Europe – more problematic? According to research

on religious discrimination in access to employment carried out by the Paris-based Institut Montaigne in 2015, Muslim men experience the greatest discrimination in applying for jobs, even if they declare themselves secular. In some instances, North African Muslims experience up to 40% unemployment rates.

Much research has been conducted on Muslim identities in France and across Western Europe by the likes of François Burgat, head of the French Institute of the Near East; Jocelyne Cesari, Professor of Religion and Politics at the University of Birmingham; and Olivier Roy, French professor at the European University Institute in Florence, Italy. Their work points to the problems of radicalisation, exclusion and marginalisation. There is a pattern of rising anti-Muslim sentiment and a clear association between a growth in far-right sentiment and attacks on Muslims. Terror attacks tend to exacerbate the situation by feeding into the rhetoric of far-right groups.

Governments must not do the work of Daesh by placing Muslims in an invidious position by alienating and excluding them

It is possible to recognise that there are internal cultural issues affecting communities, such as inter-generational conflict. Young people feel that their voices are not being heard by older generations and there are patterns of gender discrimination in the lived experience of Muslims in Europe.

There is also the matter of policing, security and intelligence policy, which can affect how Muslim groups see themselves or are seen by others. In France, there are genuine concerns regarding the lack of coordination between the security services. This is in spite of attempts to address the issue immediately after the January 2015 *Charlie Hebdo* attack. A national state of emergency, introduced after the November 2015 attacks, yielded few observable outcomes. With the Euro 2016 football championships ending



After the attack in Nice, French law enforcement agencies must improve their channels of communication with the country's Muslim communities. *Courtesy of Claude Paris/AP/Press Association Images.*

without incident, the Nice attack came as a surprise, even though the authorities had successfully prevented others since the *Charlie Hebdo* attack.

Operational cooperation is necessary, but this must be achieved without introducing draconian counterterrorism laws or powers of investigation that are insensitive to the everyday challenges facing French Muslims, many of whom live in a context of societal-level victimisation, alienation and disenfranchisement. The risk is that alienated and isolated young Muslims feel further persecuted. A more sensitised community engagement is arguably the more effective route.

It is a delicate balance. Germany and Britain's policy of maintaining effective channels of communication between the police authorities and local communities could represent a model worth adopting. In those countries, the model has arguably helped to build trust, confidence and engagement, ensuring that young Muslims on the margins feel supported at times of crisis.

There is a particular grey zone that places certain Muslim groups in vulnerable positions. Despite many Muslims accepting conservative readings of Islam, the vast majority avoid the violent extremist elements.

There are also those who feel relatively confident of the part they must play as active and engaged Muslim citizens. Therefore, Muslim groups sometimes find themselves in a difficult situation: on the one side are the pressures from radicalising conservative forces, from the other is the hostility from society due to Islamophobia, vilification and exclusion. These Muslim groups are vulnerable to pressures from all sides.

There is now a greater awareness among policymakers that local context matters far more than originally thought

Research projects such as Journey into Europe, led by Akbar Ahmed of the American University, Washington DC, has shown that most Muslims in Western Europe are conservative and traditional, yet they make great efforts to integrate into their new societies too. A host of education, employment, housing and health indicators suggest the existence of persistent inequality in relation to many Muslim groups. There

is also the wider problem of cultural racism, largely captured by the term 'Islamophobia' – the prejudice, hatred or bigotry directed against Islam or Muslims.

The likes of Daesh exploit this by saying, 'the West does not accept you, you are duty-bound to protect the interests of Muslims, and you can only do so by joining the Islamic State'. Governments must not do the work of Daesh by placing Muslims in an invidious position by alienating and excluding them. What Western European-born Muslims want to hear is that they are part of an evolving European identity. This may well have a greater impact than fighting Daesh in Iraq and Syria.

Further research and policy thinking is needed to assess risks and to introduce early intervention strategies that identify vulnerable individuals and groups before attacks take place.

Challenging the discourse, or focusing on delegitimising violent Islamism or seeking to directly remove or replace individuals seen to be acting as the 'radicalisers' is not enough. Habitually, according to research carried out by German intelligence services, a high percentage of young Muslim men drawn to radicalisation and violent extremism have little or no knowledge of Islam.

In reality, it is more likely that vulnerabilities resulting from social *anomie*, social dissonance and a lack of social efficacy in individual and group experiences explain the backgrounds of young men associated with terrorism or violent extremism. It would seem that radicalisation is a local-area problem, and so the solutions to radicalisation are to be found in local areas, which require effective joined-up planning. After many years of coming to terms with countering violent extremism, there

is a greater awareness among senior policymakers that local context matters far more than originally thought.

The attack in Nice underscores the need to understand how to design early intervention programmes to better target potential 'lone actor' terrorists. This means that health and education authorities must cooperate on a local level with the police and security services. It is clear that lone actor violent extremism is unpredictable, and existing counterterrorism methods have only limited success in this regard. A lot more work is required.

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Financial Crime: An Intelligence-Led Response is Needed

Tom Keatinge



Intelligence gaps are at the heart of the UK's vulnerability to financial crime – evidence rather than supposition must form the basis of the response.

Whitehall has invested considerable resources in preparing for the late 2017 evaluation of its anti-money laundering (AML), counter-terror financing (CTF) and counter-proliferation financing (CPF) regime by the Financial Action Task Force (FATF). Since 2013, strategies have been launched, risk assessments published, information demanded and action plans announced. Former Prime Minister David Cameron has also spoken regularly about the damage

corruption causes to economic growth and wellbeing. In July 2015, he expressed determination that 'the UK must not become a safe haven for corrupt money from around the world'. Britain, he added, must 'stop corrupt officials or organised criminals using anonymous shell companies to invest their ill-gotten gains in London property, without being tracked down'. Yet such statements, while welcome, must be acted upon if they are to become more than just a politician's platitudes.

In October 2015, the government published an honest assessment of what it does not know about financial crime, or – in the lexicon of security – the existence of 'intelligence gaps'. Published jointly by the Home Office and HM Treasury, the *UK National Risk Assessment of Money Laundering and Terrorist Financing* (NRA) is a wide-ranging review of the nation's financial crime-fighting vulnerabilities. The NRA includes an assessment of the risks posed by the regulated sector – from banks,