

Algerian Tightrope: A Balancing Exercise on the Brink of a Crisis

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Since 2011, Algeria's political, economic and social situation has undergone a subtle yet uninterrupted transformation. Last year saw an intensification of some of the changes that had first emerged during the Arab Spring, which touched North Africa's biggest country only marginally. The drop in oil prices, which raised the concrete threat of a profound crisis for the *rentier* State, continued and frequent riots erupted across the country as people protested against rising consumer prices and falling salaries, the perceived unfairness in the granting of social housing and state jobs (which people blamed on nepotism and corruption), and – in the South – against the exploitation of shale gas. Protests were also triggered by long-standing conflicts among different communities in the *wilaya* – province in Arabic – of Ghardaïa. Obscure intrigues continued to surround the President who has been in office since 1999, and ill since 2013, as well as real doubts concerning his capacity to rule the country. On the other hand, other processes that were also initiated in 2011 have been brought to a conclusion, which was the case for the shake-up of the leading intelligence agency (the *Département du Renseignement et de Sécurité*, DRS) by the ‘President's clan,’ and the approval (or imposition?) of a new constitution.

The Oil Curse

The sharp decline in oil prices that started in June 2014 is a crucial issue for the Algerian economy and

its political system. The price of crude oil – which is closely linked to that of gas – has fallen by more than 60% in just one year. The fiscal deficit nearly doubled to 16% of GDP in 2015 as a result of much lower hydrocarbon revenues, and the fall in hydrocarbon exports by nearly half in 2015 caused the current account deficit to widen sharply. Oil and gas exports (which accounted for a record 96% of the total of exports) no longer covered the cost of imports. Imported goods are key to the survival of the Algerian people as the country has virtually no industrial or agricultural output. Almost everything is brought in from the outside, even oranges. The government has been forced to use its foreign reserves – which last year stood at \$143 billion down from a peak of \$194 billion in 2013.¹ The situation is not yet critical but it may become so in the span of a couple of years if oil prices remain at current low levels and the State does not embark on the reforms needed to bring about a diversification of the domestic economy.

So far, like in other *rentier* States that rely for the most part on a single source of revenue from exports such as hydrocarbons, the regime that has ruled Algeria since it gained independence in 1962 has been able to maintain social peace and stability through a generous welfare system (free education and health, public housing, fuel and food subsidies, inexpensive loans, etc.) and by paying off protest leaders when popular discontent has spread, as has been happening since 2011. If state revenues continue to shrink it will put a brake on this kind of spending, and this politics of co-optation, both at a micro and macro level, would become hard to maintain. This is why, starting from 2015, the political discourse and actual government programmes have been focusing on the need for economic diversifica-

¹ IMF Staff Completes 2016 Article IV Mission to Algeria, African Press Organisation on behalf of International Monetary Fund, 15 March 2016.

tion and structural reforms, the modernization of the energy sector and a curb on spending. Various measures were outlined and publicized, but few have actually been implemented. Over time it has become evident that the regime's efforts have been focused on avoiding upsetting the recently emerging business class and refraining from radical cuts to social benefits in the latest budget.

Simmering

The memory of the riots that erupted in October 1988 is still vivid in the country. Waves of protests triggered by a collapse in oil and gas prices amid the mounting cost of primary goods and a demographic time bomb mixed with widespread resentment against the one-party regime under the army leadership resulted in hundreds of deaths and injuries. The 'Algerian Spring' of 1988-1991 brought about a surge in popularity for the Islamist party, a military coup and a bloody decade-long civil war between the army and armed Islamist groups. The current oil-shock is not much different from the one witnessed in 1986, which means that fears of a similar popular uprising are well-founded. Even if financial conditions are different compared to the late 1980s thanks to the surplus accumulated between 2000 and 2013 on the back of a steady rise in oil prices, the population has grown from about 22 million in 1985 to more than 40 million in 2015. The government's social spending during the years of the oil bonanza has not been enough to ensure decent living standards for most of the population: corruption is thought to be widespread, from the state-owned oil and gas company Sonatrach to the governors – or *walis* – of southern Algeria.

Many crimes and abuses perpetrated during the 'dark decade' remain unaddressed. The trauma of around 150,000 civil war victims and the fear of the country slipping back into the grip of violence and chaos are becoming a distant memory, especially when it comes to younger generations. Around 55% of the population is aged between 0 and 29, according to official sources. On the one hand, public protests

and growing discontent have been a constant feature since 2011. On the other, the new-found approach to an active citizenship is still tentative: protests are local and demands tend to be very specific and focus on well-being rather than political issues. Protests mostly fail to reach a national scale as it is hard to bring together the different forces around them.

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Two social movements in 2015, however, constituted an exception and highlighted the growing role played by the southern areas of the country, where protests by rising numbers of jobless people began to spread after 2013. These are the Ghardaïa conflicts and In Salah revolts. The former are located in the M'zab valley (Northern Sahara, 600 km South of Algiers) where the Berber-minority (the Mozabites, who follow the Ibadi Muslim rite) periodically clashes with the neighbouring Arab-speaking Malikite Muslims, the Chaambas. Friction arising from the use of land, natural resources or business controversies are made worse by linguistic and religious differences. Last year, 23 people died, the bloodiest tally since 2013, when tensions escalated. This situation showed the central government's scant regard for all the Berber (Amazigh) minorities, often considered by the establishment as troublemakers, rebels or even 'terrorists' (especially in the case of inhabitants of Kabylia, in the north). Kamel Eddine Fekhar, an Amazigh activist and former head of the Human Rights League in the Ghardaïa province, is still imprisoned, along with at least 24 other people, charged with taking part in "a terrorist act and inciting hatred" during the violent July 2015 confrontations in this *wilaya*.²

² Cfr. Human Rights Watch, *World Report 2016*, p. 64. Algeria human rights situation for HRW: "Authorities continued to stifle free speech and rights to freedom of association, peaceful assembly and protest, arbitrarily arresting and prosecuting trade union and human rights activists. They also continued to block the legal registration of several national and international human rights organizations", p. 62.

Protests against the exploitation of shale gas were, at first, concentrated in the Tamanrasset province – the country's biggest, located in the south – and especially in the In Salah district where Sonatrach began its controversial 'hydrofracking.' Protests took place on a daily basis for a few months, something without precedent for a recent grassroots opposition movement in Algeria. Another distinctive element was the national implications, as the public protest staged in Algiers in February by the recently founded national collective against shale gas brought together all the main opposition parties and movements. A protest that could be considered an ecologist-élitarian one, became popular. Does this popular mobilization against shale gas threaten an energy policy that revolves around the search for new sources of revenue? Not yet, though Sonatrach has, at present, stopped drilling, officially because it lacks the necessary funds.

The Inner Circle

Who rules the country? Long-serving President Abdelaziz Bouteflika is shrouded in secrecy. In April 2013, a long hospital stay due to mild ischemia became a state secret. After having proclaimed only a few months earlier to have decided to take a step back to make room for "new generations," the President instead announced his candidacy and in 2014 succeeded in getting re-elected for an astonishing fourth term. Absent from the public scene, Bouteflika appears before cameras only occasionally and during rare meetings with foreign diplomats or head of states visiting Algeria. These absences confirm the doubt that Bouteflika himself is the real decision maker.

In November 2015, 19 well-known personalities – including some former ministers and *mujahiddeen* (Independence War fighters) – tried to draw the President's attention to the country's social and economic plight.

They were not opponents but people close to Bouteflika. They maintained that the President was surrounded by officials who effectively ran the country

behind his back. The so-called letter of the 19 (though four people soon left the group bowing to pressures, according to the others) upset the ruling parties (National Liberation Front and National Democratic Rally), but probably never reached the President's eyes. The last line of the text referred to "forsaken Algerian executives, subjected to arbitrary and unfair punishments."³ The reference was clear for all Algerians: the letter talked about three high-ranking generals, considered 'heroes' of the '90s war on terrorism, who had been jailed around that time.

The episode came after an even more sensational one in September 2015: the retirement of General Mohamed Mediène, better known as Toufik, 'Algeria's most mysterious man,' who had headed the country's powerful intelligence agency, the DRS, for 25 years without ever appearing in public.

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The so-called 'Bouteflika clan' – one of the regime's pillars as it comprises people who built their careers on their relationship with the President and is headed by his influential younger brother Saïd – finally won in January 2016 when the DRS was eliminated. In 2013, it had started waging war against the DRS, which until then had been a key player in the regime; the other pillar. An army offshoot, the DRS was called Military Security before 1992. Its "mission [was] to neutralize political adversaries and thwart domestic and foreign threats."⁴ The 'Bouteflika clan' has the support of the General Staff of the Army and of the business class, made increasingly powerful by the growth in the 2000s. The power of the DRS and the 'janvieriste' generals (the officials who carried out the January 1992 coup against the elec-

³ The text of the letter was published in all Algerian newspapers at the beginning of November 2015.

⁴ Lahouari ADDI, "Algeria and its Permanent Political Crisis," *IEMed Mediterranean Yearbook 2015*, Barcelona, 2015, p.182.

toral success of the Islamist party) increased thanks to counter-terrorism activities, a mandate that allowed them to interfere at all institutional levels.⁵

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Bouteflika tried to weaken the military's involvement in politics. This was made easier when the state of emergency ended in 2011 and confidence in the DRS was shaken by its handling of the In Amenas terrorist kidnapping in 2013. Intelligence agencies were reorganized and put under the President's control. Though these developments marked a victory for the presidential clan, they did not deprive the army of its proper or improper political role: the army remains the hitherto backbone of the regime. Its force and influence are based on the war on terror. Such a power – used/abused for real/suspected internal or external (border) threats – remains Algeria's point of leverage with international partners. Part of the global war on terror, Algeria has, in any case, resolved not to give away pieces of her 'sacred' national sovereignty within this international fight against terrorism – although with a President who is formally a civilian (albeit a former soldier), and supported by a more professionalized, younger and larger army.

New Constitution for a Renewed Algeria?

The new Algerian Constitution, adopted by a large majority of the Parliament on 7 February 2016, has triggered a heated debate, though largely in the press and on the Internet, rather than in institutional settings or society at large. Official consultations (mostly boycotted) were launched in 2011. The rule

in the 'Bouteflika method' is to steer a democratic and pacific transition. The expected referendum did not take place in the end and the Constitutional Charter was simply handed down to (or imposed on?) the people, who for the most part received it without particular enthusiasm or criticism. The new fundamental law (the fourth one since independence) is used by the regime as a political tool – without being particularly constraining. Some important innovations have been introduced however, including recognising Berber (Tamazight) as an official, and not just national,⁶ language (although Arabic is still the official language) and introducing a two-term limit for the presidency – a limit that Bouteflika had removed in 2008 to be re-elected a third (and then a fourth) time.

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The two changes – potentially construed as merely symbolic – are intended to soothe certain opposition groups, such as the Berbers in particular, of whose strength the government is well aware. One million people attended the burial of Hocine Ait Ahmed on 1 January 2016, the last of the nine historic leaders of the Independence War, a Berber, although not a Berberist, and a prominent critic of the excessive power held by the Algerian military. The moves also aimed to assuage the country's 30-40-year-olds, who had supported Bouteflika when he rescued the country from the civil war, but had become strongly disillusioned by an increasingly personalized and obscure regime. In trying to give Algeria a more democratic – and therefore more acceptable – identity, the new Constitution contains adjustments which are yet to bring about actual changes and could turn out to be nothing more than a balancing act by a country on the brink of a crisis.

⁵ Cfr. Riccardo FABIANI, "The Changing Nature of the Algerian Political System and the Illusion of a Civilian Regime," 6 August 2015, *Jadaliyya*.