



WHO IS IN CHARGE?

ALGERIAN POWER STRUCTURES AND THEIR RESILIENCE TO CHANGE

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Since the ascendance of Abdelaziz Bouteflika to the presidency in 1999, there has been a debate – both in Algeria and among scholars observing the country – to which degree Bouteflika, a civilian, has managed to emancipate himself from the generals that brought him into power, and to what extent Algeria's power structures have actually changed in the past decade.¹

Bouteflika's first term (1999 to 2004) was dominated by highly visible power struggles between the president and a number of influential generals, including the head of intelligence, Mediène, and the head of the general command, Lamari. These struggles abated after the president's re-election in 2004. Since then, there has been a number of indications that Bouteflika succeeded in expanding his range of manoeuvre and thus his power by building his own networks of patronage in politics, the civil administration and the economy – most of which are based on regional affiliations (the west of the country where the president's family stems from) and on loyalties dating back to the revolution. He placed key allies in important

positions in the ministry of defence and the general command. He rid himself of influential generals at the *présidence*, and brought in one of his brothers, Said, as an advisor, who has now become a powerful player behind the scenes. In 2005, he apparently concluded a deal with his opponents in the military: the president granted them impunity from persecution for crimes committed during the civil war (1992-1999) in the *Charte pour la paix et la réconciliation nationale*. In exchange, they gave up opposition to constitutional changes allowing him to stand for a third mandate. Finally, Bouteflika's ability to rehabilitate the Algerian regime on the international scene, tarnished through growing allegations of major human rights abuses during the civil war, and to (re-)position the country as an important regional player, solidified his power basis.

Yet, it would be naïve to argue that Bouteflika today is fully in charge of power – for at least two reasons: First, looking at the political sphere and at a few key actors does not suffice for understanding Algerian power structures and the balance of power among its competing ruling elites. The main stage for power struggles since the 1980s – and possibly even before – has been the economic domain, and particularly the hydrocarbon sector.² Exercising control over this strategic sector is indispensable for exercising power in Algeria. Second, there is a risk of overestimating the power of individual key players in today's Algeria. The selective and limited liberalisation steps of the late 1990s, both in the economy and in politics, have interacted in multiple ways with existing social and economic structures and have created dynamics that at times escape full control by the ruling elites. Hence, reducing Algeria's power structures to the president and a few generals does not do justice to the complexities of the Algerian system, its structural foundations, and its anarchic component, and does not serve to explain the astounding resilience of the system to profound change.

¹ Cf., for instance, Hugh Roberts (2007), *Demilitarizing Algeria* (Washington, D.C.: Carnegie Endowment for International Peace, Carnegie Papers 86, May 2007), p. 5.

² Cf., for example, John P. Entelis, "SONATRACH. The Political Economy of an Algerian State Institution", *The Middle East Journal* 53 (Winter 1999), pp. 9–27.

IT'S THE ECONOMY, STUPID!

Even a superficial look at Algeria's economic structures can suffice to understand the centrality of its oil and gas sector for running the state. The hydrocarbon sector in 2008 accounted for more than 97% of Algeria's export revenues and over 75% of state revenues. This puts Algeria in the category of so-called rentier states. In these states, control and strategic top-down distribution of the oil rent are usually key to buying political loyalty and maintaining political power.³ Hence, developments such as those at Sonatrach in January 2010, when judicial proceedings against almost all top cadres of the country's oil and gas giant were opened based on allegations of corruption, are of enormous political significance. While corruption at Sonatrach is by no means a novelty and has been lamented by foreign companies for years,⁴ the way the recent corruption affair has been unfolding points to efforts to unsettle the president: The affair was leaked first by newspapers with a solid record of being critical of Bouteflika and close to certain currents in the military (*El Watan and Liberté*), and much of the fire has been directed at the minister of energy and mines, one of Bouteflika's closest allies. According to oil business insiders,⁵ there appears to be much resentment among those that have in the past considered Sonatrach their fief, namely active and retired militaries and their clients, about the president's efforts to place individuals from his regional network in top positions.⁶

Much of Algeria's power struggles are in fact about economic distribution. With liberalisation of some economic domains (trade, for instance) from the late 1980s and particularly as of the mid-1990s, when an IMF structural adjustment programme was (partly) implemented, and with enormous infrastructure projects from the mid-2000s, new rent-seeking opportunities

³ For more on rentier states, cf. Hazem Beblawi (1990), *The Rentier State in the Arab World*, in: *The Arab State*, G. Luciani (ed.), Berkeley, Ca., pp. 95-98.

⁴ Interviews 2002, 2003, 2006 and 2010 in Algiers, Paris and Rome with Algerians and Europeans in the oil business.

⁵ Ibid.

⁶ A popular saying calls Sonatrach "Sonatreize" – in an allusion to the number (13) found on the license plate of Tlemcen.

arose. At the same time, vested interests prevented other reforms, such as the privatisation of state-owned enterprises and banks⁷ – the latter could have uncovered “bad” loans to regime elites.⁸ It is safe to assume that neither the president, nor his opponents have an interest in reforms that aim at full transparency, accountability and independence of the justice. Both are not only products of the same historical circumstances and of the so called revolutionary generation, but also of the same opaque system from which they get profit. In the end, there is a mutual interest of preventing reforms that could undermine the existing system in which informal dealings and rules are no less important than formal institutions and regulations. The survival of the system still appears more important to the competing elite clans than a victory over their opponent(s).⁹

THE POLITICS OF FRAGMENTATION AND SELF-FRAGMENTATION

Similar to other Arab authoritarian leaders, Algeria’s ruling elite – the generals in the 1990s, and Bouteflika alone or with the generals since the turn of the century – have been trying to remain in control by employing a divide-et-impera strategy. This strategy consists of repression, cooptation, creation of competition to weaken oppositional groups, and strategic distribution of revenues from the oil and gas sector to quell social unrest. Also, in order to adjust to a changing international context and to domestic pressure, Algeria’s ruling elites implemented some political and economic liberalisation steps. They, for instance, from 1997 regularly allowed Islamist and other opposition parties to run in elections and actually get some seats.

⁷ Cf. Isabelle Werenfels, “Obstacles to Privatisation of State-Owned Industries in Algeria. The Political Economy of a Distributive Conflict”, *The Journal of North African Studies* 7 (2002) 1, pp. 1–28.

⁸ Interviews, Algiers and Paris, 2002, 2006, 2009.

⁹ This even holds true for younger generations in the elite, cf. Isabelle Werenfels (2007), *Managing Instability in Algeria. Elites and Political Change*, London & New York, pp. 162-163.

The dynamics that emerged from these policies are paradoxical: they seem to escape full control and produce a certain level of anarchy, yet they serve to perpetuate existing power structures. The liberalisation and cooptation policies allowed for the emergence of numerous individuals or groups with substantial nuisance, bargaining or veto power. One example are independent unions that have repeatedly managed to paralyze the education sector in Bouteflika's second term (2004-2009). An earlier example was the Kabyle citizen's movement, that orchestrated an almost complete boycott of parliamentary elections in Kabylie in 2002 and that extracted concessions from the government such as the inclusion of Tamazight as a national language in the 2003 constitution. Clearly, the presence of such actors narrowed the range of manoeuvre of the ruling elite – at times the dynamics seemed to completely escape top down control and anarchy to prevail, for instance in Kabylie.

However, such dynamics pose little danger to existing power structures, for one simple reason: the strategy of divide and conquer in combination with the liberalisation policies have led to a complete fragmentation of the political scene. The Islamists are the best example for this: Some have been co-opted into participating in parliamentary elections (El Islah, Ennahda etc.), others (the MSP) even into the *Alliance présidentielle*.¹⁰ Then, there are those that are tolerated but not legalized. Finally, there are the leaders of the former FIS that, for the most part, are not allowed to pursue political activities. The fragmentation continues within parties: most Islamist parties today are deeply engaged in internal power struggles.

One reason the regime's strategy of fragmentation works so well and develops its proper dynamics of self-fragmentation is Algeria's social structures. Algerian society has been historically fragmented: geographically, ethnically, and linguistically. Many of the divisions – namely the one between a tiny educated Francophone elite (recruited mainly from the Berber-Kabyles) and the large Arabophone masses were created by the French; others

¹⁰ The MSP has also been targeted by the current anti-corruption campaign, which may indeed uncover corruption, but only among certain groups: A "mani pulite" in the military, for instance, is yet to take place.

predate colonialism. Despite all the efforts of the post-independence elite to create not only a state but a nation with a homogenous Algerian-Arabic-Islamic identity, regional, ethnic and linguistic cleavages persisted – up to the top of the state: each president, for instance, tended to fill important positions with persons from “his” region. An important cleavage, moreover, is the one between those belonging to the *famille révolutionnaire*, that is, having a link, even if remote (or fictitious), to the war of liberation, and those not belonging to it. It is not accidental that recruitment mechanisms into the elite favour those belonging to this “family”, for they have an interest in perpetuating the system in order not to jeopardize the material and symbolic privileges coming with a link to the revolution.¹¹

The main consequence of the dynamics of fragmentation has been that oppositional groups have not been able to build broad coalitions to challenge both the president and the military behind the scenes. Given the current level of fragmentation both politically and socially, it is questionable whether such a movement could emerge in the near future at all – as long as the oil rent provides enough money to buy a minimum level of social peace, and as long as no charismatic leader emerges who could channel the protest and present an alternative.

For the time being, the dynamics of fragmentation are providing the system with a fig leaf of pluralism, even if much of it has little to do with real political competition. Hence, in today’s Algeria, pluralism (at least the existing kind) and authoritarianism enforce each other – and it appears to be both in Bouteflika’s interest and the generals’ that this situation prevails.

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¹¹ In the state budget the funds allocated to the “Ministère des moudjahidine” up to 2007 exceeded those allocated to the health care system; in 2009 they roughly equalled those of higher education and research.