



Resilience in Algeria: new actors for old governance?

Dr. Louisa Dris-Aït Hamadouche
Université Alger 3, Algérie
aitdris@gmail.com

الملخص :

قاوم الساسة الجزائريون "الربيع العربي"، على الرغم من عديد العوامل التي جعلت البلاد مؤهلة للاضطرابات الاجتماعية والسياسية. ومما لا شك فيه أن الصعوبات الاقتصادية المتنامية هي أحد هذه العوامل. ولمواجهة هذا التحدي، أصبحت بعض الجهات الفاعلة غير الحكومية، مثل رجال الأعمال ومنظمات المجتمع المدني، بارزة في المجال السياسي. فيما يتعلق بالتحديات الوطنية المتنامية، هل تمثل هذه الجهات الفاعلة حوكمة جديدة؟ إلى أي مدى تساهم هذه الفئة في تجديد القاعدة الاجتماعية و تعطي شرعية للنظام السياسي من أجل تعزيز صمود صانعي القرار؟

الكلمات الدالة: الجزائر، الربيع العربي، المجتمع المدني، الشرعية السياسية، الحوكمة.

Abstract:

The Algerian rulers have resisted to the "Arab spring", despite many factors that made the country eligible to social and political turmoil. Economic growing difficulties are undoubtedly one of these factors. In order to face this challenge, some nongovernmental actors, such as businessmen and civil society's organisations, imposed themselves in the political sphere .

Regarding the increasing domestic challenges, do these actors represent new governance? To what extent do they take part in renewing the political regime's social basis and legitimacy in order to strengthen the resilience of the decision makers?

Key words:

Algeria, businessmen, civil society, governance, legitimacy, political resilience.

Introduction

Algeria is one of the countries which were eligible to join the Arab spring Tunisia launched in 2011. Four years later, nothing happened but the same predictions are coming back under the influence of the economic difficulties the country is facing. These expected troubles are apparently due to the falling down of oil prices that have halved country's incomes. Actually, the economic situation is getting more and more worrying.



Algeria is an upper middle income country which means that the population is used to have a certain level of consumption and welfare. These advantages are not due to the productivity of the national economy but to the intervention of the state through an important prices support policy, which guarantee free access to education, universities, health and a relatively easy access to energy and large consumed food. The system of governance has been implemented for decades, strengthened the welfare state, and exclusively based on a mono exporter rental economy.

However, the fall in down oil prices has seriously disturbed the fragile economic balances, making of this system of governance one of the causes of the growing up complications. These difficulties are less due to oil prices than to the absence of political willingness to build a national economy capable of breaking down the structural dependence to hydrocarbons. Actually, the Algerian rulers have maintained the economic status quo because of their top priority: keeping and enlarging their social base thinks to the rent's distribution. This strategy implied encouraging the emergence of new actors -basically business men, and civil society organizations-, while the old ones, such as intelligence services, were destabilized. It should pointed out that, while the non-governmental organisations constitute a very old phenomenon in Algeria, the economic organisations which represent the business man community are emerging in the decision making process. In the same period, crucial changes are operated in the military-security institution and in its relations with the civilian authority.

Regarding the Algerian experience in dealing with instability, contradictory tendencies and cosmetic reforms, to what extant does this policy initiate the civilianization of the Algerian regime? Do these new actors contribute in reinforcing the presidential power? Can they facilitate political reforms from inside the regime? This article will try to answer these questions basing on two hypotheses: 1) economic and civil actors enlarge the clientelist basis of the rulers; 2) economic and civil actors contribute in consolidating the old governance with new means. .

1- Algeria from new challenges to new governance

In this section, we will discuss the first hypothesis by arguing that the present (and future) social and economic needs and challenges will require the emergence of new actors integrated in new governance.

Social demands need civil society



In the mid-2015, the Interior Ministry revealed that during the first semester, 730000 Algerians took part in 6200 more or less violent demonstrations (35 demonstrations per day, and 62% more than a year before)¹. Usually, these demonstrations consist in cutting the roads, closing the public administrations, occupying the public places or burning wheels... These protests are due to various reasons: jobless, apartment's distribution, electricity blackout, football match defeat, etc... Basically, these protests are contained and stopped by measures of appeasement.

This phenomenon does make a double sense. First, it brings to light a dynamic complaining society; this society is now used to have a certain way of life and is, consequently, not ready to make sacrifices in terms of consumption and commodities. Second, it illustrates the lack of mediating actors, such as associations, political parties and labour organizations between people and government. This deficiency makes the peaceful transmission of the requests impossible and pays the way to violent actions.

Of course, deficiency does not mean total absence of the civil society.² This last is an ancestral phenomenon and the oldest examples are called *zaouias*, *djemaa* and *tadjamaath*, which still exist thanks to their deep social roots. In addition to these traditional forms of civil organizations, one could also add the ancient labour associations linked to different old professions.³ These organizations have survived to colonization, the single-party system⁴, and political crisis. They survived to terrorism⁵ and try to resist to regime resilience⁶. They did more than surviving to obstacles; they grown to such extant that the number of the associations created during several years is seven times more than during 30 years.⁷

However, the analysis of the evolution of the civil society since independence leads to two important observations:

- 1) There is an inverse relationship between the strength of the welfare state and the NGO's freedom. In other words, the more welfare state is strong, the less civil society will be strong;
- 2) There is a proportional relation between anarchic social contestation and weakness of the NGO's⁸, that is to say that the more civil society is weak, the more likely contestation will be violent.

Applying these remarks on the present time consolidate the growing need to strong civil society to compensate the state difficulties and prevent uncontrolled turmoil. This compensation appears in the role of some associations in the social and charity sector. The organization *Zouhour* (flour in Arabic), based in Oran (western Algeria) is famous for its activities in



health to such extent that it provides a parallel public service for vulnerable people. In the same city, *FARD* (person in Arabic) is active in gender issues. It provides women with means to get the necessary training and education to create their own business. A third illustration in a different sector is worthy to be given. It concerns the role of some NGO's in supporting, spreading and defending the government political positions (increasing the participation in the elections, defending the Peace and Reconciliation Charter, supporting the finance laws, fighting violence in the stadiums...).

These three examples reflect how NGO's compensate the insufficiencies of important Algerian welfare state functions. Healthcare, employment, security and many other fields can no longer remain the state monopoly. Regarding the worrying economic situation, the role of civil society is likely to increase.

New businessmen for high economic challenges: the case of the FCE

The Algerian economy is a previous socialist one, in which the state had a dominant role. It remains a rental economy single exporter of hydrocarbons, in which the private sector is growing. Since the beginning of the economic reforms in the late eighties, several employers' organizations appeared.¹ However, one of them has appeared as a dominant one. It is the Business Leaders Forum (FCE, Forum des Chefs d'Entreprises). Undoubtedly, the FCE symbolizes the growing up of new economic elite in the political game. Does this spectacular emergence reflect the rising of a new economic nongovernmental actor, able to take part in modernizing and reforming the national economy? To what extent can these new economic elite (FCE specially) contribute to face the high coming economic challenges?

More than ever before, the Algerian economy needs a dynamic and deep reforms to balance the revenues and escape from hydrocarbons dependency. Oil represents 60 percent of budget revenues and 30% of GDP. The direct consequences are a bigger increase of unemployment rate that has already increased from 9.8 percent in 2013 to 11 percent in 2015, in addition to declining growth. Unemployment is particularly severe among women and youth (25-30 percent).⁹ These difficulties come after a prosperous period

¹ The most important are: the General Confederation of Algerian Companies (CGEA), the National Confederation of Algerian Business leaders (CNPA), the National Federation of textile workers, the General Union of Algerian Business leaders (UGEA), the General Union of Public Businessmen (UNEP), the Algerian Association of Women Business Leaders (SEVE)...



during which the incomes of the Algerian government rose to historically high level and reached \$800 billion during fifteen years (2000-2015).¹⁰ During this period, the spending was \$650 billion, among them 450 for importations, and 39 to repay the debt.

It should be pointed out that \$160 billion were spent to import consuming products, and half to food products.¹¹ The government has invested only \$3.5 billion in agriculture which represents 0.22 percent. In terms of statistics, it is important to notice that between 2000 and 2014, Algeria exported for \$728 billion but only \$14 billion were not hydrocarbon.¹² Meanwhile, the importations have increased after 2009, jumping from \$18.5 billion to \$48.2 billion. This overview suggests that there is a crucial economic need to the emergence of productive economic elite. Can the FCE play this role?

When he was created in 2000, the FCE aimed to federate the Algerian public and private companies in order to defend their interests and promote entrepreneurship. Fifteen years later, the Forum gathers 800 companies, which employ 250000 workers and generate revenues of \$25 billion. The FCE rising is due to some favourable factors such as the high level of oil prices and the importance of the state investments which constitute the real engine of growth. The FCE members establish direct formal and informal contacts with the government members, which allow them to take profit of the public procurements and conclude significant contracts.¹³ Besides, these contacts became much more intensive since the arrival of Ali Haddad at the head of the organization. Is it the beginning of a new economic-political role in the Algerian governance?

In a relatively short period, the new direction has shown his eagerness and capacity to weigh in the decision. It has criticized some decisions of the government such as the fiscal policy, launched an impressive diplomatic offensive through several trips abroad (China and USA for instance) and organised many meetings with ambassadors based in Algiers.¹⁴ One could sum up the FCE philosophy by one word: liberalization. The Forum asks for the openness of the internal market, the cancellation of the state monopoly on wide economic sectors (air transport and energy included), the recognition of the investment and entrepreneurial freedoms, the taxes policy reform, the guaranteed access to properties, the end of the prices' support, and the integration of the informal economy in the formal one.¹⁵ These requests did not stay abstract discourses. Actually, the government has started to give positive responses. One of the first direct responses was the insertion of the informal money stock in the formal circuit. The counterpart



was paying a tax of 7% instead of 10% the FCE suggested. In addition, the new constitution is full of economic principles that reflect the Forum demands, such as the constitutionalisation of the right to make business and to invest, the promotion of the business climate, the forbidden of monopolies... More concretely, the 2015 and 2016 financial lows have included several austerity measures that correspond to the business community's demands.¹⁶

These recent evolutions can pay the way to an increasing FCE role in the Algerian economic governance. The coming economic governance aims to diversify the economy which implies a bigger participation of FCE members which are present in different sectors,¹⁷ on one hand and the renewal of the leading elite, on another one. It should be pointed out that the managers of the FCE companies represent a new generation. Ali Haddad, the FCE leader is quadragenarian and so are many of his partners. This generation wants a break with the old practices and expects to play a key role in decision making.

The coincidence in time between a new economic offer and enduring socio-economic demands does not automatically imply the emergence of new governance. The second hypothesis will discuss why so.

Algeria from new challenges to old governance

The 2008 financial crisis have a delayed impact in the Algerian economy. However, 2015 was clearly a turning point which turned the previous confident political discourse to a worried and a worrying one. So, why despite this crucial change, is it so difficult for nongovernmental actors to take this opportunity for pushing the rulers towards new governance?

Social control for social demands: the associations' containment policy

Maintaining a certain level of political control onto the society has always been a priority for the Algerian rulers. Several means allow them to do so. The first one is the law amended in 2012 in the framework of the reforms the president Bouteflika announced a year before.¹⁸ The NGO's have widely criticised it, considering that it was full of juridical traps. For instance, any person convicted for an offense incompatible with the NGO activity is excluded. However, the law does not specify what kind of compatibility is concerned. The same trap exists regarding the obligation to respect the high principles and interests of the state, with no clear precision about them.

The second kind of constraints is related to the symbolic and material NGOs' resources. The Algerian associations are banned from getting any



foreign financial aid¹⁹ and having any relationship with political parties.²⁰ The first prohibition causes serious weaknesses because the local financial sources are few, while the second eliminates any political support. Two observations that demonstrate the priority of political considerations over legal ones should be pointed out. The first is related to the financial support, provided according to the political positions of the associations. The state subventions (ministries, local and regional administrations) can increase if the association is qualified as “general interest and public utility”.²¹ Actually, these subventions increase according to the association political positions. Consequently, the association which has publically supported the president Bouteflika’s candidature and elections were rewarded. The second observation -the relationship with political parties- reveals that the prohibition seems to prioritise the islamist and the regional-cultural parties. Indeed, the first are known for their social bases, while the second have local rooted influence. Nevertheless, it is worthy noticing that a third category of political parties are not concerned by this proscription: the ruling parties (FLN, RND) never hid their ties with several masses’ associations and were never worried about that. The links between these parties and the masses’ associations are particularly strong during electoral periods. This juridical constraint has an immediate and concrete impact: two thirds of the associations disappeared between 2012 and 2015.²²

However, the juridical tools are not the only weapon used to contain the NGO’s. The government also uses the demonization approach. Basically, it consists in alimenting suspicious and mistrustful towards the associations suspected of being the instrument of hostile “hidden foreign hands”. The article 22 of the law stipulates that the Algerian associations can cooperate with foreign NGO’s if they respect the national values and principles. In addition, only the Internal and Foreign ministries can decide if this condition is fulfilled or not. The government justified this condition by arguing that in “the past, some foreign parties have financed some associations to destabilise the country.”²³ Who are these foreign parties and these associations? What kind of destabilisation was it? No answer was ever given. Furthermore, the Arab revolts have widely contributed in reinforcing this conspiracy approach. Actually, the Algerian public opinion and rulers as well have two convictions about this turmoil:²⁴

1) it is a legitimate revolt against authoritarian regimes;



2) it was supported by external actors, mainly western ones (USA, EU, and Israel). For instance, “*Barakat*” an organisation appeared during the 2014 presidential campaign, was the target of a strong demonization crusade.²⁵

The last containment tool is the cloning technique. It consists in weakening the disturbing associations by creating their counterpart (the same actions’ field) with more favourable political positions, or dividing them by encouraging internal dissidences and then, helping the dissidents to create a twin associations more favourable to the government interests. Many labour organisations²⁶, political parties²⁷, and associations²⁸ were victim of this technique.

In addition to the juridical and political tools, the influence of the associations is made under control through clientelist cooptation which is mainly used against economic associations.

The economic associations: Cooptation instead of liberalization

Several actors can illustrate the civil society cooptation by the government. Let’s focus on the economic elite. In a previous point of this paper, we tried to show how the business community (FCE particularly) could push towards a new form of economic governance. In this following point, we will discuss the opposite hypothesis which is based on the fact that the FCE is not independent from the government which implies that he contributes in consolidating the ruling power instead of pushing it to reform. This consolidation takes the form of a political exchange,²⁹ defined as the relation between two political actors with respective objectives and interests. Each partner cannot reach its objectives without the symbolic and material resources of the other partner. Hence, this kind of “interdependence” pushes the two parties to exchange their resources to get their respective goals. The political exchange between the government and the FCE is circumstantial and structural as well. Firstly, the political rendezvous, such as elections, give the FCE the opportunity to show his strong political and financial support to the president since 2004. Every president company has contributed with between DA500000 and DA50 million (about €400.000 and €4 million).³⁰ In addition, the FCE regularly supports the government in the public debates. It was notably the case when the president decided important changes in the intelligence services and during the political controversy between the Industry minister Abdesslem Bouchouareb, and the business man Issaad Rebrab. One important exception should be pointed out with short-lived Abdelmadjid Tebboun government.³¹



On the structural level, it should be mentioned that the economic growing up of some FCE companies is linked to their relations, positions and “subservience”³² to the rulers. For instance, ETRHB (Ali Haddad’s company) was created in the 80’s but its spectacular transformation to the first group in public works coincides with the president Bouteflika’s reign. ETRHB has concluded for \$2.5 billion of public contracts and it is not a unique example.³³ The economic growth of Kouninef group (FCE member) is 10% per year,³⁴ while SIM Company of Laid Benamor has multiplied its capital by 500 between 1996 and 2013, jumping from \$0.1 million to \$51 million.³⁵ These fortunes appeared so suddenly that a public debate was opened to say “where do they come from?!”...

Then, two explanations have appeared. The first one suggests that the economic liberalization allow naturally the emergence of new economic elite which naturally tries to find its place in the political sphere. A second explanation claims that the phenomenon symbolizes the “berlusconisation”³⁶ of the system. In other words, it represents the new politico-business alliance to replace the old politico-military alliance. Beyond their differences, both function according to the same rules: no accountability, no transparency and clan interests.³⁷

Conclusion

Analysing the question of civil society’s role in the governance in Algeria puts in light two realities: the resilience of the political system since more than 50 years, on one hand, and the permanent existence of NGO’s, even before the multiparty system, on another one. This paradoxical permanency suggests that the associations have always been useful for governing regardless the nature of the regime. How is it possible?

All public policies at the national or local level need the support of local actors who provide information, propose alternatives and maximise the efficiency of the decisions. From this stand point, the role of the Algerian civil society is not different. The former minister of Interior clearly claimed that the role of the sportive local organisations was to prevent violence and keep the youth far from violent provocations.³⁸ These associations provide spaces of freedom and initiatives that compensate the state deficiencies in various fields (social assistance, security, women training, education, health care... They also provide the rulers a notable support during important campaign such as reconciliation process, presidential new mandate, economic unpopular measures, targeted demonization...



This tendency is likely to become stronger regarding the economic difficulties the state is facing. Actually, the state can hardly remain the “everything provider” and the unique actor of governance in a context of rarefaction of the financial resources. The question is: will the rulers accept the civil society as a real strategic partner in the governance or will they continue to use the NGO’s as manipulable instrument?

Endnotes :

¹ Karim Ameur, “6200 manifestations en 6 mois”, *L’Expression*, 27/06/2015, <http://www.algerie360.com/algerie/selon-un-rapport-de-la-police-pres-de-6200-manifestation-en-6-mois/>

² Ansar El Iyachachi, “What is civil society. Algeria as a model”, in *Insanityat Books*, CRASC, N°03, 2012, pp13-14 (in arabic).

³ Arab Izarouken, « Le mouvement associatif en Algérie : Histoire et réalités actuelles », *NOUR*, 25/02/ 2014,

<http://anadde.blogspot.com/2014/02/le-mouvement-associatif-en-algerie.html>

⁴ 12000 associations at that time.

⁵ During the nineties, more than 90000 associations were identified.

⁶ 35 000 associations are inventoried in 2015.

⁷ Izerrouken Arab, « Mouvement associatif en Algérie : vers un nouveau départ ? », in les *Ouvrages du CRASC, L’Algérie aujourd’hui : Approches sur l’exercice de la citoyenneté*, 2010, p 88.

⁸ Omar Derras, « Le phénomène associatif dans le cadre des réformes », op cit, p 31

⁹ The World Bank, “Country at a Glance”, <http://www.worldbank.org/en/country/algeria/overview>

¹⁰ According to some experts, such as Farhat Aït Ali, the income reached \$840 billion between

2000 et 2014. *El Watan*, 31/01/2016

¹¹ Farhat Aït Ali in *El Watan*, 31/01/2016

¹² *El Watan*, 31/01/2016

¹³ Interview with the vice president of the FCE, Brahim Benabdeslam, Algiers 11/03/2015

¹⁴ Naila Latrous, « Que cache la diplomatie économique du FCE ? », <http://www.tsa-algerie.com/20150427/que-cache-la-diplomatie-economique-du-fce/>, 27/04/2015. Consulté le 24/09/2015

¹⁵ FCE, « Pour l’Emergence de l’Economie Algérienne ». Juin 2015. <http://www.fce.dz/phocadownload/plaidoyerfcef.pdf>, p : 4

¹⁶ 13 articles of 2016 finance law are positive responses to business community requests.

¹⁷ Abderrahmane Mebtoul, « Le FCE a-t-il les capacités de relancer l’économie algérienne ? », *Le Matin*, 30/07/2015, <http://www.lematindz.net/news/18169-le-fce-a-t-il-les-capacites-de-relancer-leconomie-algerienne-document.html>

¹⁸ Law nr 12-06 of 12 January 2012. JORADP, N° 15 January 2012.

¹⁹ Article 29 of the law 12-06

²⁰ Article 13 of the law 12-06

²¹ Loi n° 12-06 12 january 2012. JORADP, N°,15 janvier 2012.



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- ²² Yahia Maouchi, « Deux tiers des associations ont disparu en Algérie depuis 2011, selon Amnesty », TSA, 29/09/2015
- ²³ The director of the public liberties in the Interior ministry, APS, « Société civile : bientôt un statut d'utilité publique aux associations », 15/05/2015
- ²⁴ See the different opinion polls made by Arab barometer
- ²⁵ The Algerian mass media have linked the rising up of this kind of opponent actors to foreign organisations such as Avaaz, Open Society, republican and democrat American institutions...
- ²⁶ Snapap VS Snapap-bis in the functionaries
Cnapest VS Snapest ; Satef VS Satef-bis ; Snte VS Snte-bis, Unpef VS IAFP in education field
Cnes VS Cnes-bis; in the university
- ²⁷ MPA dissident of RCD ; Taj dissident of MSP ; UDS dissident of FFS ; El Islah dissident of Ennahda; FJD dissident of El Islah...
- ²⁸ RAJA dissident of RAJ ; youth field
MCB VS MCB-bis (amazigh culture)
MJA VS AJA, SNJA, SNJ, FNJA (journalists)
Laddh VS Laddh (human rights)
- ²⁹ Bosc Christel, « L'Échange politique », *Négociations*, sous la direction de François Baraize, Pôle Sud, n°4, 1996. pp. 123-128. www.persee.fr/doc/pole_1262-1676_1996_num_4_1_936
Louisa Dris-Aït Hamadouche, « Régime et islamistes en Algérie: un échange politique asymétrique? », Maghreb-Machrek, 2009
- ³⁰ Lyas Hallas, « Les patrons qui financent Bouteflika ne cachent plus leur connexion », Maghreb-Emergent, 11/03 2014, <http://lequotidienalgerie.org/2014/03/11/les-patrons-qui-financent-bouteflika-4-ne-cachent-plus-leur-connexion/>
- ³¹ The government of Abdelmadjid Tebboun (25th may- 15th august 2017) announced several measures to break the links between politics and money. After a rude media campaign, he was dismissed and replaced by Ahmed Ouyahia who cancelled those measures.
- ³² Nordine Grim, *Entrepreneurs, pouvoir et société en Algérie*, Casbah, 2012, pp 167-168.
- ³³ Lyas Hallas, « op cit
- ³⁴ The group is involved in electricity, public works, oil, buildings and oil civil engineering.
- ³⁵ Lyas Hallas, op cit.
- ³⁶ The Workers Party defends this analysis.
- ³⁷ "How does the money groups impact the political decision?" (in arabic), <http://www.altahrironline.com/ara/?p=81605>
- ³⁸ « Yazid Zerhouni épingle les associations suite aux émeutes d'Oran », Liberté, 19/06/2008