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TRANSNATIONAL COMPANIES AND THE MASSACRES: BUSINESS AS USUAL

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International Responses

Il faut bien dire que l'Algérie serait mise à l'index de la communauté internationale depuis longtemps si elle n'avait ni gaz ni pétrole.¹

Pierre Sané, Secrétaire Général d'Amnesty International

1. Introduction

On 19 January 1997 a bomb attack in Belcourt, a populous neighbourhood in Algiers, killed 42 people and injured about 100.² The next day, as Belcourt was nursing its wounds, *Le Soir de Belgique* reported that 'an old man, still traumatised, was pointing to a long trail of dried blood left behind on the pavement by the cleaners: "Do not walk on the blood of your brothers, it is a sin, go and get some water to wash this blood".'³

Walking past human suffering does not prompt the same response. Some events are noticed while others are not, depending on one's motives, values and aims.

What is true of individuals also stands for organisations and states. The responses of bystander states and organisations to massive human rights violations, war crimes and genocide range from humanitarian or armed intervention, economic sanctions or protests to indifferent passivity or taking advantage of the victimisation situation.

The aim of this paper is to document and account for the various responses of the transnational companies operating in Algeria to the waves of massacres and the human rights crisis in the country.

Section 2 of this paper seeks to describe the multinationals' behaviour toward the human rights crisis in Algeria. This will be done by reporting some of their responses to the massacres and their estimation of human rights facts and concerns in their risk assessments and security policies in Algeria.

Section 3 deals with some aspects of the economic order that underlies these responses. It gives an idea, albeit sketchy, about the transnational companies' rush to the 'Algerian Eldorado' and their volume of trade with the Algerian regime. Key mutual interests in this trade exchange are delineated.

Section 4 briefly sums up all these facts and then seeks to explain them. The correlation between the activities of transnational companies and human rights violations at a global level are reviewed, and then evidence that the multinationals operating in Algeria instantiate these patterns is presented.

Section 5 summarises the main results of this review and concludes.

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2. Multinationals and Human Rights in Algeria

In most cases, the transnational corporations operating in Algeria have not made public their reactions to the massacres in Algeria. Even the large scale mass killings which occurred between August 1997 and February 1998 did not elicit public statements.

It is however possible to infer the broad outline of their positions from the rare public reactions which are available, their justifications of their presence in Algeria, and on the basis of the weight accorded to human rights realities and concerns in their assessments of risk and their security policies.

2.1. Responses of Multinationals to Massacres

To the best of our knowledge no transnational firm has ceased its activities in Algeria in response to the massacres or the massive human rights violations in the country. On the contrary, the influx of multinationals has drastically increased since the start of the civil war in 1992.

At the level of action, as distinct from rhetoric, the transnational companies operating in Algeria actually take advantage of the human rights crisis. They do so in the sense that the regime being isolated internally, due to its lack of legitimacy and grave human rights violations, and dependent on international support for survival, has a weak bargaining position which the multinationals exploit and perpetuate.

In response to the question 'why the West Turns a Blind Eye to Algeria', the journalist Jørgen Wouters considered in September 1997 that it stems from the influence of oil companies on the decision makers and asserted that 'the inaction of the West is rooted in oil and Islam.'⁴ He added:

Western petro-giants have invested millions of dollars in Algeria to pump out the country's rich reserves of natural gas and oil. But these heavily guarded operations are located deep in the Sahara Desert, far from the villages surrounding Algiers where thousands of innocent people have been murdered. And because the Islamic insurgency has yet to interrupt the flow of oil and money, the flow of Algerian blood is all but ignored in the West.⁵

In Autumn 1997, Shireen Hunter, analyst at the Brussels Centre for European Policy Studies and specialist on Algeria, declared: 'I don't see anybody at the moment wanting to get into the Algerian quagmire. The oil and gas keeps flowing, investment in the industry is going ahead and revenue is pouring into the regime.'⁶

In May 1998, Pierre Sané, General Secretary of Amnesty International, underlined the difficulty of getting concrete results in the field of human rights in situations where there is coexistence between oil and the military:

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Algeria, Nigeria and Burma all have two things in common – oil and military rulers. Although Columbia is a parliamentary democracy, rebels control 40% of the country and the armed forces play a leading role. [...] When you combine the two [oil and the military] you are faced with countries that are very difficult to move in the direction of bowing to international pressure.⁷

This difficulty is due to the fact that Western governments share the same perceptions and interests as the companies. As John Entelis, director of Middle East studies at New York Fordham University, put it: ‘Western powers are benefiting – the multinationals are happy.’⁸ The Western governments adhere to the strictly commercial policies of the companies and give no importance to moral and humanitarian imperatives in the shaping of their foreign policies. Algerian journalist and winner of the Sakharov prize for human rights work, Salima Ghezali states:

The economic pragmatism which rules today means few European governments take into account the 15,000 deaths a year [in Algeria] when they formulate their policies. I do not really think that their policies are based on any kind of moral basis. Unfortunately, our economy is based on oil and gas which means the government can often put pressure on its Western partners.⁹

Now at the level of rhetoric, the responses of the transnational corporations to the massacres and human rights situation are more varied. Silence is the standard attitude but some of them acknowledge they are exploiting the situation, others hide it and keep silent about it, while still others attempt to justify it in different ways.

The silence of the companies is deliberate and is part of an established policy. In most cases it is impossible to make the public relations officers of these companies offer opinions about, or take a stand on, the massacres or the human rights crisis. When the authors contacted, a few months ago, about fifteen multinational firms working in Algeria, principally in the oil field industry (see section 3), the public relations officers of almost all these firms refused to answer the questions right from the start. The questions sent to them in advance included:

Do you consider Algeria a country with or without risk? What do you take into account in your evaluation of its risk profile? What is your opinion on the human rights situation in Algeria? What was your position with regards to the massacres of the civilian population? What can you do to contribute to the improvement of the human rights situation in Algeria? How do you reconcile the fact that you do business with the Algerian regime given your ethical policies?

In October 1995, Veronique Maur reported, in *Le Monde*, on the business that went on discreetly without any concern for the human rights situation in Algeria:

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Reactions of the Transnational Companies

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While they [exporters] all hide, none complains. The specialists of the Algerian market have even been happy: 'Business has never been so good in the last decade.' In Algeria, internecine slaughter is an everyday reality but business goes on. 'The situation is tragic, not trade!' a civil servant summed up cynically.¹⁰

Among those who make public statements, some acknowledge the fact that they have exploited the Algerian conflict even at the worst peaks in the waves of massacres. In the article 'International bonds: Opportunities in Algeria for cynical traders' published in the *Financial Times* of 22 December 1997, Roula Khalaf noted that 'while Algerians brace for the worse, some investors in traded Algerian commercial debt see an opportunity.'¹¹ She quoted a number of financial agents to support her assertion. One of them did not hesitate to explain that 'the hedge funds buy Algeria because it's high yield paper. If there were no massacres, the spread would narrow and they would stop buying while more conservative mutual funds would pick it up.'¹²

When transnational company representatives offer justification for their doing business with the military regime, they make use of essentially four arguments. These are grounded on moral, political, security and socio-economical considerations in which the suffering and humanity of the Algerian people find no space.

For instance, Albino Sala, North Africa representative of ABB, a Swiss-based transnational company working in electricity production in Algeria¹³, was clear about the amoral nature of business: 'We are there [in Algeria] to do business not political analysis.'¹⁴ When asked what feelings one experiences when doing business with the Algerian regime, Franz Blankart, Swiss Secretary of State, answered: 'I wonder whether you are not missing the point with your question.'¹⁵

There is another response, found especially among French-speaking businessmen, which is reminiscent of the *mission civilisatrice* arguments. For instance, according to a Swiss official, doing business in Algeria aims at shaping the political behaviour of the natives: 'The more money the West invests in Algeria, the less the Algerian people will be tempted to take up arms against the military regime.'¹⁶

Some transnational companies justify their activities in the midst of the worst human rights violations on the grounds that their presence has no consequence whatsoever on the political, military and human rights situation in the country. For example, an oil company representative stated that: 'We feel that we should follow the advice and lead of our governments as well as the rules of the host country, but what would we achieve by pulling out? Would it solve Algeria's political problems?'¹⁷ Others appeal to precedence arguments. François Brulhart, from the *Office pour la Promotion de l'Industrie*

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Genève, who went to Algiers to prepare the Swiss-Algerian economic forum that took place in Lausanne in April 1997, came back with

a feeling of security, the confirmation of the enormous opportunities and wealth of the country, the impression that the government leaders are much less corrupt and the certainty that the enterprises of Geneva must take advantage of this market. The others, the Germans, the Italians, the Spanish, the Americans or Canadians are already there.¹⁸

The ‘inconsequentiality of trading with the military regime on the human rights situation’ is perceived as fraught with business consequences by the likes of Brulhart.

There are, however, justifications for engaging in business activities with the repressive regime which do not deny that this trade does have consequences. But in this case, the argument is that they actually contribute to the economic development of the country and thus to the social well being of its citizens. An official from an oil company affirms, for example, that:

A diplomatic solution is what is needed and all companies are working on making a contribution to the country’s economy. There is a lot at stake in Algeria, huge investments. Companies would not have made them if they did not think there was a future in Algeria.¹⁹

2.2. Risk Assessments

One can also infer the attitudes and responses of transnational corporations to human rights in Algeria by looking at the content of their risk assessments. What transpires from their definition of risks is that they are totally indifferent to the human rights violations in Algeria. In so far as a risk is ‘the possibility that something harmful or undesirable may happen’, the massacres of the civilian population are not considered harmful or undesirable by the multinationals. They do not enter in the calculations of risks so that even during the bleakest periods of massacres in 1997 and 1998, Algeria did not cease being a safe country.

In June 1997, a Canadian delegation of businessmen who went to Annaba to attend a forum declared: ‘In the streets of New York there is much more risk than in the most remote corners of Algeria. Algeria is a haven of peace.’²⁰ In January 1998, a month that witnessed an intensification of the massacres in Algeria, a manager of a European oil firm stated that: ‘As far as we are concerned it's business as usual.’²¹ Consultants in the oil industry estimated that:

Algeria’s attraction to international companies for oil exploration and production remains largely undiminished. [...] There is no shortage of new foreign companies queuing to come into Algeria for a share of its vast untapped oil and gas reserves.²²

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An analyst of the oil industry declared, for his part, that:

Six years of civil strife have not threatened Algerian oil and gas production, concentrated in the sparsely populated and heavily protected south of the vast country. Foreign companies were investing in oil and gas exploration and southern European countries were growing increasingly dependent on Algerian gas supplies piped across the Mediterranean. The risk factor to current operations is very small if not zero.²³

Our dozen interviews of officials from transnational firms operating in Algeria yielded very few explicit answers concerning the issue of risk. An official from Mobil answered quite simply: 'We do not comment on risk analysis matters'²⁴, whereas a representative of Total oil company gave a very confused answer: 'Well... usually we do not say anything... We do not take any political position, we do not interfere with local politics. So we do not answer this question. I cannot tell you anything but that.'²⁵ An official of LASMO stated that:

LASMO and its JV partners Anadarko and Maersk have been operating in Algeria since 1989. Our operations have been largely unaffected by civil/political strife in Algeria. LASMO continues to monitor the security situations in all its overseas operations and co-ordinates appropriate security measures with assistance from the national authorities in the countries concerned.²⁶

Officials from BP-Amoco and BHP did, however, kindly answer the first two questions of the interview²⁷:

Question: How does your company look at Algeria. Does it find it a risky or a safe country ?

BP-Amoco: Well, I think risk is another aspect of the decision making process when you decide to work in a country. We have considerable assets, a considerable interest, in Algeria now and we are looking for to developing them. We will probably be in there, certainly on the BP side, for five years. On the Amoco side I suspect a bit longer. When you look at something like the gas assets that we are developing, they are about a thousand kilometres to the south of Algiers in a more or less Sahara desert, a remote part of the country which has not experienced significant trouble.

BHP: Algeria is a well established hydrocarbons province. It is the world's fourth biggest producer of gas, its second largest exporter of LNG, and, during the past few years, has topped the league in terms of exploration success. It is also a core component of BHP Petroleum's growth strategy. There are risks associated with our involvement in Algeria - just as there are with many other countries in which we operate. However, since entering Algeria in 1989, BHP Petroleum has established comprehensive strategies to address all of the risks associated with its activities in the country. In this regard, we perceive the most significant country risks as being: security and safety; and, to a lesser extent, partial expropriation. These exposures have been comprehensively assessed by the Asset and appropriate risk management / mitigation measures have been adopted.

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Question: What criteria do you consider in your evaluation of risk ?

BP-Amoco: There is a whole bunch of criteria when you consider any project going through from geological risks, whether you can actually find any oil or gas there, to political, economic and other risks. They all have to be taken into account when you decide whether or not you invest or go with a project.

BHP: Although the intensity of the violence in Algeria has diminished appreciably in recent months, developments in both the political and economic spheres have underlined that the new institutional structure of elected Assemblies within the country are fragile. Nevertheless, the hydrocarbon sector is critical to the Algerian economy, accounting for around 95% of the country's foreign earnings and roughly 60% of government revenues. The clear importance of this sector gives the government a strong incentive to develop the industry further – although it does, of course, render the economy extremely vulnerable to shifts in oil price.

Because of this, we believe the industry will remain largely insulated from any political, social or economic upheaval. The state oil company, Sonatrach, has enjoyed wide support for its policies - which have not been challenged by any political group. From a security perspective, Algeria's oil and natural gas production is based in remote desert locations in the south of the country. The protection afforded by this isolation is reinforced by four 'counter infiltration zones', created by the government in 1995 to ensure the security of oil and gas facilities and personnel in the major producing centres. Within these zones, all traffic and shipments are controlled by army and police units. Coupled with the company's own security arrangements – particularly those focused on travel to Algiers – these safeguards have worked well.

In their evaluation of risk, the firms consider a number of factors, in particular: a) risks of profitability, such as geological risk, commercial risk, etc; b) security risks, such as the probability of riots, violence and racket by the forces of security, political instability; c) environmental risks, related to ecological aspects; d) legal risks; etc. However, all these risks relate directly to a financial risk. They do not recognise and quantify human rights violations in their calculations of risks and, hence, they do not see them as either 'harmful or undesirable.'

2.3. Security Policies in Algeria

The multinational firms adopt an exceptionally strict policy with regards to the security of their employees and infrastructures in Algeria. While they do not regard the violations of the right to life and personal security of thousands of Algerians decimated in massacres or torn apart in torture chambers²⁸ as 'harmful or undesirable' to their business activities, they do regard the threat to the right to life and personal security of their employees as 'harmful or undesirable' to their profit ventures. They provide all the necessary means to safeguard them.

An important means consists in finding strong Algeria allies who are familiar with the security situation and able to ensure a significant share of the

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security tasks. It is no coincidence then that most of the Algerian representatives of the transnational firms are senior officers in the Algerian army, often at the rank of general.²⁹ In a country under military rule, the firms ensure in this way that their interests and employees are well protected.

The corporations also avoid the areas of the country where there is a significant massacre activity. These areas are, in general, economically underprivileged and host military activities between the insurgents and the military regime. In Algeria these regions are nicknamed 'infected zones' or 'useless Algeria'. Pierre Sané, General-Secretary of Amnesty International, stated:

We see that there is a 'useful Algeria' at the extreme South of the country. It is that of oil fields and gas installations, that where foreign companies and their employees work in secure conditions. They seem to be very well protected by the State. Should one conclude that the Algeria that resides twenty minutes away from the capital where the massacres and the bombings follow one another is a 'useless Algeria'?³⁰

The companies do not venture into victimised areas so as not to expose their personnel to risks calculated to be undesirable, even if the economic and financial interests are there. For example, BP suspended its exploration in a concession area it had acquired in the mountains of the Atlas, close to Sour El Ghozlane, because the level of risk was considered to be unacceptable.³¹

At a time when several European airlines have suspended their flights to Algiers and the large cities in the Algerian north, direct flights connect several Western cities to the sites of the gas and oil platforms in the South. *Air Algérie* ensures a Geneva–Hassi-Messaoud connection which shortcuts Algiers. Together with Sonatrach, it created *Tassili Airlines* which deals primarily with the transport of people and freight to the oil bases in the South.³² The direct Paris–Hassi-Messaoud route is ensured by *Go Fast* owned by a multimillionaire kin to major-general Khaled Nezzar.³³ In *L'Oasis-forteresse de l'or noir*, Didier François describes the airport of Hassi-Messaoud which was upgraded to become a truly international airport:

The engineers land at the local airport in special chartered flights which do not transit Algiers. The runway is the longest in the country; it can accommodate all types of large carriers, and the air traffic is the second most important in terms of freight activity.³⁴

Even for trips inside the country, the foreign workers use private helicopters.³⁵ Clearly all the resources are mobilised to safeguard the persons whose rights to life and personal security carry a weight in the calculation of financial risk and profit.

The multinationals' double standards with regard to the value of human life are at their most striking in the security arrangements at the work sites and lodgings. For instance, Hugues Henri, director of the building site at Sofregaz, set up in 1996 in Hassi-Messaoud, testifies about the working and

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living conditions: 'the sector is completely fenced off, one lives in complete seclusion, well-accommodated, well-nourished and even better protected than others, because our companies require it.'³⁶ Didier François describes the extent to which the town of Hassi-Messaoud is cut-off from the outside world:

Security imperatives are taken seriously in Hassi-Messaoud. The entrances to this dormitory town of 45,000 residents in the middle of the desert are tightly controlled. This 'exclusion zone' can be entered only by authorised persons holding permits delivered after thorough investigations. Employees of Sonatrach, the national company in charge of exploiting the oil fields, their families and foreign nationals must display badges and be accompanied by an armed escort on all their trips.³⁷

Dominique Lagarde reported (in November 1997) that '500 to 600 American engineers and technicians work in the oil and gas fields of the Algerian South. They live in 'life-camps', surrounded by barbed wires, permanently guarded by the army and private guards.'³⁸

These security arrangements are not exclusive to the firms which exploit oil and gas. Reporting on the workers of the Italian civil engineering company Lesi, Jean-Pierre Tuquoi wrote in *Sixty soldiers to protect twenty foreign engineers*:

The camp in which the expatriates live looks like a fortified camp. A three-metre high wall topped with barbed wire acts as a first protective belt. It overlooks a seven-metre wide no man's land scanned day and night by infrared radar and cameras. At night a battery of projectors light this space. Further ahead, wire fencing acts as a first protection.

An interior wall separates the camp into two watertight zones. The first is allocated exclusively to Algerian engineers working for the National Company of Rail Transport (SNTF) whereas the second shelters a dozen small houses where Italians live. Why this internal partition? 'May be Algerian officials do not trust their co-religionists' suggests one of the expatriates.

There is a command post run by an Algerian security company in the camp. It operates fourteen television screens linked to external cameras. To demonstrate that he is awake, the guard must push a button every three minutes, otherwise an alarm goes off automatically. All the entrances and exits to the camp are controlled from this headquarters.³⁹

However, some transnational firms do not rely only on the security measures provided by the Algerian state. They organise their own security, as the journalist Didier François reports: 'the international companies, like British Petroleum, recently established in Hassi-Messaoud multiply the systems of video-surveillance and mount concrete chicanes at the entrance of their zone.'⁴⁰ The firms often call upon one of the many private security companies which have proliferated in Algeria these last years. Algerian Generals Lakhal Ayat, Abdelmadjid Cherif and Abdelhamid Djouadi have the monopoly of private security companies for the surveillance of oil fields.⁴¹

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In sum then, the double standards used in estimating the worth of human life translates into 'two Algerias'. One that is wealthy and under high protection, and another that is under-privileged and suffering intense human rights violations.

3. The 'Algerian Eldorado'

To a considerable number of foreign firms, Algeria represents a real financial eldorado.^A This is true for all the economic sectors, but especially for the petrochemical industry. In research carried out by Swiss-based consultants in this field, 'Algeria came top of the list of attractions for oil firms in 1996.'⁴²

The new Algerian policy for foreign investment has led to the proliferation of joint-ventures; in the field of energy they are set up on the basis of production sharing agreements (PSA). Many state companies in the oil and gas sectors, and related industries and services are involved in such agreements. They include: the *Société Nationale Recherche, d'Activité et de Commercialisation en Hydrocarbures* (Sonatrach), the *Société Nationale de l'Electricité et du Gaz* (SONELGAZ), the *Entreprise Nationale de Canalisation* (ENAC), the *Entreprise Nationale de Commercialisation et de Distribution des Produits Pétroliers* (ENCDP), the *Entreprise Nationale de Forage* (ENAFOR), the *Entreprise Nationale des Grands Travaux Pétroliers* (ENGTP), the *Entreprise Nationale de Services Pétroliers* (ENSP), the *Entreprise Nationale de Géophysique* (ENAGEO), the *Entreprise Nationale de Raffinage et de Distribution des Produits Pétroliers* (Naftal), the *Entreprise Nationale de Raffinage des Produits Pétroliers* (Naftec). In the sector of pharmaceuticals, one can list Saidal, Simedal, the *Institut médical algérien* and the *Laboratoire pharmaceutique algérien*.

The list of foreign companies which benefited from the advantageous policy of the Algerian government is a long one. The following partial list can be established on the basis of media reports.⁴³ It lists companies doing business with the Algerian regime regardless of the human rights' situation.

Energy^B: ABB (Switzerland), Agip (Italy), Anadarko (USA), Anderson (UK), Arco (USA), Bechtel (USA), BHP (Australia), BP-Amoco (UK), Cepsa (Spain), Daewoo (South Korea), Dowell (Australia), Elf (France), EniChem (Italy), Exxon-Mobil (USA), Fertiberia (Spain), Gas Natural (Spain), GE (USA), Go Fast (France), Itochu (Japan), JGC (Japan), Kvaerner (Canada), Lasmo (UK), Maersk (Denmark), Mitsubishi (Japan), MOL (Hungary), MW Kellogg (USA), Nest Oy (Finland), Norcen (USA), OMV (Austria), Oryx (USA), PetroCanada (Canada), Petronas (Malaysia),

^A See in *Le défilé des délégations commerciales* (appendix 1) for a sample of companies from various countries, usually accompanied by state officials, which rushed to Algiers in 1997/1998, at a time when the Algerian people suffered some of the bloodiest massacres of recent years, to sign commercial contracts with the military regime.

^B This covers various sectors related to hydrocarbons (prospecting, drilling, extracting, refining, distributing, etc.) and peripheral activities (security, surveillance, transport, petrochemistry, civil engineering, high energy, infrastructures, equipment, logistics, services, maintenance, etc.).

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Phillips (USA), Pluspetrol (Argentina), Ranger (Canada), Repsol (Spain), Saipem (Italy), Schlumberger (USA), SGS (Switzerland), Siemens (Germany), Snamprogetti (Italy), Sofregaz (France), Sun Oil (USA), Talisman (Canada), Total (France), Veba Oel (Germany), Wascana (Canada), Wintershall (Germany).

American Suppliers^c of Sonatrach: Intermark, General Electric, Ebara International Corporation, MW Kellogg, Ava Guiberson, Holman Boiler Works, Halliburton Company, Degolyer and MacNaughton, Dresser Industries.

Pharmaceuticals: Biochemie (Austria), Cophital (Italy), Glaxo-Wellcome, Groupement Pharmaceutique Européen (Europe), Laboratoires Fabre (France), Laphal, Novo-Nordisk, Pfizer Pharm (USA), Rhône-Poulenc Rohrer (France), Sanofi (France), SmithKline Beecham (UK), Synthelabo.

Finance: Arab Banking Corporation (Bahrein), BNP (France), Citibank (USA), Crédit Lyonnais (France), Société Générale (France).

Other Sectors: Aviation Systems International (USA), Boss Group (UK), Bouygues (France), Bull (France), CEG-Alsthom (France), Daewoo (South Korea), Fritz Werner Industrie-Ausruestungen (Germany), Générale des Eaux (France), Lesi (Italy), Lyonnaise des Eaux (France), MAN (Germany), VAE (Austria).

Clearly trade activity between the transnational companies and the Algerian military regime can take place only if it serves the manifold interests of both parties.

The trade serves the Algerian generals in that it shows the world that the security situation in Algeria is well under control and that economically it is business as usual. The fact that powerful foreign firms, especially petrochemical ones, have considerable influence on the political decisions taken in their countries is of particular importance to the generals. These firms lobby for foreign policies favourable to the survival of the military regime. The money generated by the oil and gas revenues also serves:

- a) to purchase military equipment, weapons for repression and other security hardware;
- b) to pay the wages of hundreds of thousand strong regular and irregular armed forces;
- c) to fill hundreds of bank accounts, outside Algeria, which belong to influential members of the military oligarchy, the government and their intermediaries.

The attraction of transnational firms to Algeria is explained by several factors. Given the security situation in the country, and since there is a busi-

^c Facilities and services.

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ness rationale such that the gains in a country are proportional to its security risks, the firms' profits in Algeria are substantial. In October 1995, *Le Monde* journalist Veronique Maur wrote:

The risks are enormous, but profits are guaranteed, for, in spite of the political situation, trade with Algeria has never been so flourishing. Business leaders turn into James Bond in order to evade the deadly pitfalls on the road to contracts. [...] If exporters stay put, this is because profits must match the risks. 'Money is earned in a much easier way than elsewhere, one maintenance specialist confesses naively, competition is not that great so prices and profit margins are higher.' In short, in Algeria there is fear, but it pays better. 'In the past they would ask us to find financial sources for them, we were involved in a lot of bartering: meat against oil derivatives or fertilisers. Now, they pay cash most of the time. If you have chosen a financially strong partner, you have no problem,' a Marseilles businessman explained.⁴⁴

The possibility of easy profits attracts a large number of firms, in particular small size ones which cannot compete well elsewhere and seek to avoid the severe rigours imposed by the industrial, financial, and legal standards of their home countries. These firms find their financial rescue in doing business in Algeria. In 1995, the Franco-Algerian Chamber of Commerce estimated that 'more than one thousand PME's [small and medium size corporations] "live" practically only from the Algerian market, out of a total of 9500 exporters listed by the customs (1000 large groups and 8500 PME's).'⁴⁵

In addition to this lucrative business, the Algerian sector of hydrocarbons is attractive for three other reasons. To begin with, Algeria represents a gigantic reserve of energy. Prospecting studies do not cease revising upward its oil and gas reserves. In 1996, the Industry and Mines Minister, Ammar Makhoulfi, evaluated the Algerian hydrocarbon reserves at 9 billion tons of oil and 5100 billion cubic metres of gas. Next, there is the high quality of Algerian oil, in particular that pumped out in recently discovered fields. Anadarko recognises, with pride, that the Saharan blend produced in the field it exploits in the south of Hassi Berkine 'is a very high quality crude that provides refiners with large quantities of premium products like jet and diesel fuel.'⁴⁶ The third reason is the strong dependency of southern Europe on Algeria in its energy imports. Spain and Italy, for instance, depend on Algeria for 60% and 40%, respectively, of their imports of natural gas.⁴⁷ For Martin Stone, from the London firm Risks Control which carries out evaluations of economic and political risks, 'Algeria's importance to the West is its trump card. Its gas supplies to southern Europe are crucial, and Europe cannot afford to isolate Algeria.'⁴⁸

The attraction of American firms in hydrocarbons stems from their 'entrepreneurial spirit' and 'taste for risk' according to Sadek Boussena, the former Algerian minister for Oil and ex-president of OPEC. Asked to explain the increased interest of American companies in the Algerian energy

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sector, and the retreat of French firms, Boussena told the monthly magazine *Arabies*:

American companies appear to be pragmatic; like every company, they consider profitability and their own interests. The example of the American company Anadarko is significant. It was the first company to sign a production sharing agreement in Algeria in 1989 and thus, it was rewarded in return when it made one of the world's biggest recent oil discoveries two years ago. In the oil sector, one must be daring and take risks. This being said, Total is clearly present in Algeria, taking part in two projects: GPL-condensate, to the tune of \$1 billion. It seems that Elf too is again interested in Algeria. All depends on a general context; when there are opportunities, companies make calculations and assess risk: some go ahead boldly, others are more hesitant. It must be said that Algeria has suffered from prejudices. At the moment, foreign firms have begun to make the most of the available opportunities not only in hydrocarbons but also in other sectors of the economy. They must make an effort to get to know this country better and estimate its opportunities at their true value. There is no profit without risk.⁴⁹

In fact, many hydrocarbons, and especially gas, produced in Algeria by American firms are exported to Europe and not the United States. The Algerian gas is transported to Europe via two gas pipelines. One in the East, Transmed, connects Algeria to Italy, through Tunisia, since 1980. The other, in the West, the Maghreb-Europe gas pipeline (GME), links Algeria to Spain via Morocco since the end of 1996. An American firm built the Algerian section of the GME which is 1265 kilometres long at a cost of 2.3 billion dollars. This dependence on American firms frightens some Europeans. Writing about 'the US contracts in Algeria', Dominique Lagarde from *L'Express* stated:

Algerian hydrocarbon exports are mainly taken by the European market. Algeria's gas' first clients are France, Belgium, Spain and Italy. Europe also consumes 80% of Algerian oil while the United States gets 10%. Consequently, the ever-increasing share of American companies in [Algeria's] oil and gas can only increase the dependence of European economies on them.⁵⁰

4. Evaluating and Explaining Responses of Firms to Massacres

4.1. Assessment of Reactions to Massacres

From what precedes, one can summarise the behaviour of transnational companies operating in Algeria with regard to the human rights crisis in the country as follows:

- a) in practice all of them take advantage of the tragic situation;
- b) most of them pursue a deliberate policy of silence about the massacres and the wider human rights situation;

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- c) a few of them acknowledge they are taking advantage of the human rights situation, and even of the massacres; others justify their activities in the midst of massacres using a variety of arguments: by claiming that business has no moral content, by denying that their involvement and behaviour has any consequence on the military, political or human rights situation, or else by claiming that their trading with the regime does have consequences but positive ones in that they help the Algerian economy stand up and the Algerian people improve their social conditions;
- d) they do not recognise and quantify human rights violations of Algerians in their risks calculations which do, however, integrate profitability risks and those of geological, commercial, security, environmental and legal natures. Their risk evaluations do not see the massacres as either 'harmful or undesirable' to business;
- e) they have a double standard towards the worth of human life in that they regard the threat to the right to life and personal security of their employees as 'harmful or undesirable' to their profit ventures and provide all the necessary means to safeguard them.

In what follows we seek to explain these attitudes and responses. This is done in two steps. In section 4.2 we briefly review the correlative patterns between transnational companies' activities and human rights violations at a global level. In section 4.3 we discuss how the activities of multinational firms in Algeria instantiate, and are subsumed under, the global trends that are correlated with human rights violations.

4.2. The World of Corporate Irresponsibility

The world has increasingly evolved towards a single marketplace where the flow of capital has to be eased, competition encouraged and given free rein. The globalisation of world business and trade, the lifting of trade barriers, the new regulatory world bodies, the intensification of the competition amongst and within various blocks, the creation of monopolies, the forging of special partnerships and new alliances, the emerging of new competitors, the saturation of some markets and the opening up of new ones have taken place in an increasingly aggressive climate. In this fierce climate, the transnational corporations have seldom paid attention to the political, economic, social, and human rights consequences and environmental impacts of their ventures on the host communities unless, of course, they have interfered with their primary objective: making quick and easy money.

To illustrate the negative multi-dimensional impacts and unethical policies of such transnational companies, the case of British Petroleum in Colombia and that of Shell in Nigeria are discussed in some detail in section 4.2.1 and 4.2.2, respectively. Section 4.2.3 will discuss the global picture of

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the human rights impact of the activities of transnational companies in the third world.

4.2.1. British Petroleum in Colombia

For the last 25 years or so, Colombia has been in the throws of a semi civil war involving leftist guerrilla groups waging war against a succession of military and civilian regimes. British Petroleum (BP) has large interests in Colombia's oil industry with a 19.2% stake in the Casanare oilfield, one of the largest in the world.⁵¹

In 1996, the London *Observer* newspaper ran a number of articles on BP's involvement in Colombia. In the first one, it disclosed an unpublished report by the Colombian government 'accusing BP of collaboration with soldiers involved in beatings, torture and murder in the north-eastern Casanare region.'⁵² These revelations caused a furore and lead to the European Parliament issuing a call to the Colombian government to publish the report and to calling on BP and other oil companies to 'observe the highest respect for human rights and environmental protection.'⁵³

The report in question makes a number of disturbing revelations.

4.2.1a. Human Rights Abuses

About complicity in human rights abuse leading to beatings, torture and murder the report stated that:

BP passed intelligence about protesters to the Colombian army notorious 16th Brigade, resulting in arrests, beatings, and murder, and caused grave damage to a protected forest, polluted rivers, and damaged bridges and roads.⁵⁴

It also indicated that:

The oil company compiled intelligence including photos and video tapes of local people protesting about oil activities, and passed the information on to the Colombian military which then arrested or kidnapped demonstrators as 'subversives'.⁵⁵

Six peasant leaders who had protested against the oil giant were then found dead and army officers involved in paramilitary death squads came under investigation for human rights abuses. Amnesty International, for its part, wrote at the time:

Given the well-documented role of the police in human rights abuses and the lack of accountability and controls on the Colombian armed forces, BP practices are extremely dangerous and certainly open to abuse.⁵⁶

Charges were also renewed that BP together with a private security firm it employs 'are financing paramilitary groups which have massacred civilians.'⁵⁷

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These criminal practices prompted the National Liberation Army to write a letter published in *El Tiempo* newspaper and addressed to the British prime-minister, Tony Blair, declaring 'England has declared war on our people.'⁵⁸

4.2.1b. Support to the Colombian Military Regime

The report was very explicit about this support: 'BP gives millions of dollars to the Colombian military.'⁵⁹ The amount of support was made more explicit by another source: 'In 1996 BP and its partners signed a three year, \$60 million agreement with Colombia's Ministry of Defence.'⁶⁰ According to Human Rights Watch, 'paramilitaries were paid US\$2 million a year' by European and American oil companies.⁶¹

4.2.1c. Use of Mercenaries

Some security operations come directly under the tutelage of BP. The services of a British mercenary firm DSL (Defence Systems Limited) were hired by BP to give some special military training courses: 'BP's team of DSL soldiers taught a course that included counter-guerrilla tactics such as lethal weapon handling, sniper fire and close quarter combat.'⁶² DSL, as will be discussed later, also offers military service to the military regime in Algeria.⁶³

4.2.1d. Causing Grave Environmental Damage

The grave damage caused to the environment by BP practices was highlighted by the report mentioned above and by the *Observer*. This is also confirmed by an Amnesty report that details the environmental damage it caused:

The company's oil exploration has devastated a protected forest, polluted a river, and damaged several bridges and the only local road people can use to transport their products to market.⁶⁴

Such behaviour was described as 'callous' and 'irresponsible', as well as 'cynical' in view of the fact that it went hand in hand with BP self-serving rhetoric on 'ethical policy'.

4.2.2. Shell in Nigeria

In the mid-nineties, events in Nigeria gained headline attention in the world media following shocking revelations concerning the involvement of Shell in human rights abuse and complicity with the military junta in Nigeria. The case gained even more notoriety when the civil rights activist leader Ken Saro Wiwa was put on a trial and condemned to death. Ken Saro Wiwa, who was executed six months later along with eight of his co-campaigners, was a leading Nigerian who for years had been campaigning in defence of his peo-

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ple, the Ogoni people, who had endured decades of suffering at the hands of Shell and the military.

Shell's interests in Nigeria go back to 1958. Since then its interests in Nigeria's oil industry have grown and are now estimated to represent half of the total of Nigeria's export-earnings from oil. From the beginning the oil production centred on the Niger River Delta region, home of the Ogoni people. Years of irresponsible exploitation coupled with Shell's neglect of the interests of the local communities had made their plight reach a critical point. The regional ecosystem suffered from hundreds of oil spills, chemicals washed out in the rivers and depletion and poisoning of the local fish-stocks, flora and fauna. This dramatic situation was made even worse by the oppression suffered at the hands of the police and the military when sporadically the population made demands or marched peacefully campaigning for their basic human rights. Later on, Shell used even the services of a mercenary group in its operations.

The full extent of years of Shell's criminal and inhuman practices in the region were brought to the attention of the world only when the Ogoni people took steps in 1990 to force Shell to withdraw from its operations. These disturbances were savagely repressed and culminated in the show trial of the leading campaigner, Ken Saro Wiwa, and his subsequent execution by the military dictatorship on 10 November 1995 after seventeen months in custody.

The price paid by the Ogoni people in their fight was high. In the period of unrest, the World Council of Churches estimates that over 3,000 Ogonis were killed, 30,000 displaced and over 1,000 became refugees in neighbouring countries.⁶⁵ The peaceful civilian campaign of the Ogoni people was met with the brutal repression of the regime. Little was being invested by Shell or the government in their region while their environment, health and society were gradually destroyed and the wealth of their land exploited. Shell was financing the regime. That in itself was clear and had been known for years. But over the years evidence had been accumulating implicating Shell directly in the repression:

Ken Saro Wiwa and MOSOP (Movement for the Survival of the Ogoni People) repeatedly alleged that Shell is behind the ongoing violence in their homeland. They were right. Over the past an enormous amount of information has emerged on the situation which implicates Shell in past and ongoing environment and human rights abuses in Nigeria.⁶⁶

Shell initially strongly denied all charges and dismissed them away as pure fabrication. Then the surprise came when, in February 96, the *Observer*⁶⁷ published copies of transaction documents of arms deliveries to the military in Nigeria. Shell had to admit supplying arms. The rapid succession of events coupled with the ongoing brutal repression and the new revelations concern-

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ing Shell's arming of the military and its use of mercenary forces, turned the whole case into a symbol of the fight against international corporate irresponsibility.

A detailed account of the history, political and economic involvements and human rights practices of Shell in the region since 1958 has been compiled and published.⁶⁸ This report presents most of the evidence implicating Shell in the abuse of the rights of the Ogoni people and their land. It is also a testimony to the courage and bravery of the Ogoni people.

4.2.3. Global Picture

These crimes are always portrayed as isolated incidents by the perpetrator firms once their responsibility has been established beyond any doubt. The global picture reveals that the unethical behaviour and practices of multinationals are in fact common and widespread.

This is shown in table 1 which lists cases of similar charges against transnational companies in a number of developing countries. For each country, a case involving a particular firm is presented. The list of victimised societies and offending firms is only illustrative and by no means exhaustive.

Five victimisation categories are used in the third column. Human rights violations are indicated as HRV. Military support, including financial and arms procurement to military regimes, is denoted MS; this includes, of course, the effect of impeding or blocking democratic aspirations. M refers to the use of mercenary units by the firm. SD stands for social damage inflicted on societies; this includes impacts such as the displacement of people or sudden and drastic economic changes in communities, usually impoverishment, leading to the break up of the existing social structure, demographic and cultural equilibrium. ED denotes ecological damage resulting from the firm's activities, e.g. ruin of fragile local ecosystems with air, land or water pollution, health effects arising as a direct consequence of this pollution, consumption of intoxicants etc.

The last column indicates whether the involvement in the corresponding victimisation has been direct or indirect; the latter stands for situations of accessory behaviour, i.e. where there is knowledge of the case, tacit approval and turning a blind eye by the multinational corporation.^D The source of the data is given for each case.

^D For instance it was reported that Mobil staff may have known about the torture, massacres and mass burials by the Kopassus, the elite and most murderous arm of the Indonesian military, which took place next to Mobil's oil drilling operations. As many as 39,000 people are believed to have disappeared from the area over the past two decades. On October 10, a coalition of 17 Indonesian human rights organisations issued a statement saying that Mobil is 'responsible for human rights abuses' by providing crucial logistic support to the army, including earth-moving equipment that was used to dig mass graves. (see *Drillbits & Tailings*, December 21, 1998)

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Table 1: List of firms and charges levelled against them

Charge: HRV: Human Rights Violations, MS: Military Support including financial and arms procurement, M: use of Mercenary units by the firm, SD: Social Damage as in displacement of people, ED: Ecological Damage resulting from the firm's activities.

Involvement: D: Direct, I: Indirect.

Country	Firm	Charges	Involvement
Nigeria ⁶⁹	Shell	HRV, MS, M, SD, ED	D
Colombia ⁷⁰	BP	HRV, MS, P, SD, ED	D
Indonesia ⁷¹	Various	HRV, M, ED	D
Bolivia ⁷²	Vista Gold	HRV, SD, ED	D
Burma ⁷³	Premier, Texaco ^E	MS	I
Peru ⁷⁴	Shell	SD, ED	D
Angola ⁷⁵	Diamond Works	MS, M, SD	I
Congo ⁷⁶	Elf	M	I
Sierra Leone ⁷⁷	Sierra Rutile	HRV, M	D
Sudan ⁷⁸	Arakis	M	I
Uganda ⁷⁹	Branch Mining	M	D
Zaire ⁸⁰	America Mineral Fields	HRV, M	D

A robust theory that accounts comprehensively for all kinds of correlations between human rights violations and economic activities is yet to be developed. However some studies that looked at the global tendencies in the violations of human rights in the developing countries found that the latter correlate strongly to their external economic dependence. For instance, in *The Political Economy of Human Rights* published in 1979, Chomsky and Herman pointed out the coincidence that exists between the hardening of political regimes in a dozen countries (Brazil, Chile, Dominican Republic, Guatemala, Indonesia, Iran under the Shah, The Philippines, South Korea, Uruguay) and the improvement in the conditions offered to international investors – either following a relaxation in fiscal policy and in the measures for taking profits out of the country or following a repression of trade unions.⁸¹ In their empirical study of repressive models of development, Bernard and Fontaine went as far as to state that firms not only benefit from repressive systems but sometimes prompt them:

^E On 24 September 1997, Texaco stopped its operations in Burma's Gaz projects following a sustained lobbying by 'Free Burma' campaigners. The US administration changed its stance vis-à-vis the military rulers in Burma and in April 97 decided to cancel all new investment in the country. Europe and Canada soon adopted similar policies.

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Multinational firms take advantage of the repressive conditions in force in a great many countries. They consider authoritarian regimes so favourably that certain governments are encouraged to toughen the conditions of political confrontation in order to attract foreign capitals. South Korea and the Philippines are very significant examples of the multinationals' activities. The latter interfere directly in politics. Chile is one example. None of these facts can be denied.⁸²

These findings contradict the transnational corporations' claims that they operate according to an 'ethical policy', bring economic benefits to the host country. While it is the case that some responsible transnational firms do benefit the local communities in terms of investments in health, educational and local infrastructure projects, the overall picture of their impact on host countries is rather dismal. When confronted with evidence of their negative bystander behaviour, or complicity, with regard to massive human rights violations, most incriminated transnational companies remain obdurate in their practices and issue blanket denials to all the charges. Except, of course, when events escape their tentacular control making it impossible for their sophisticated public relations machinery to cover up. They then often admit their involvement in a damage limitation exercise and, even then, they go to great lengths in order to a) depict the incident as isolated and controllable and b) play down its impact and seriousness.

4.3. Multinationals in Algeria: The Political Economy of Brutality

Contrary to the claims reviewed in section 2.1, the presence of transnational firms in Algeria does have harmful consequences at the political, military, social and human rights levels.

4.3.1. Entrenching Military Dictatorship through Financial Assistance

The main source of support to the generals who overthrew president Chadli Bendjedid in 1992, installed a military regime and launched a war against the opposition and society is undoubtedly the oil and gas money. As the article 'Oiling the wheels' in *The Guardian* put it two days after the Benthalha massacre:

Western involvement in Algeria's economy has been crucial to the survival of the government despite the country's disastrous human rights record. Western petrochemical companies are the backbone of the economy. Agip, BP, Elf, Exxon, Mobil and Total are all players. Algeria has the world's 14th largest reserves of oil and 5th largest reserves of natural gas.⁸³

The trade with the military regime could have been made conditional on its respecting human rights, adopting a reconciliatory approach to the conflict, and embarking on a transition process towards an inclusive democratic system. But, in fact, the multinationals have rewarded the total war approach of the military and the entrenchment of the military regime, presumably to in-

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crease what they see as ‘stability’ and reduce the risks on their investments. For instance, the Zürich newspaper *Neue Zürcher Zeitung* considers that:

To improve the situation in Algeria, one needs to look at the nature of the conflict and the government in place dispassionately. The government is fighting for its survival. It mobilises all its resources to safeguard the foundations of its existence – oil and gaz installation – and neglects the protection of its population. Maintaining commercial exchanges allows the Algerian government to reject all serious efforts to find a political solution to the conflict – which would ultimately lead to its losing power – and ignore the international warnings.⁸⁴

4.3.2. Exacerbating the Human Rights Crisis through Military Support

Algeria’s military allocates a significant proportion of the oil and gas income of the country to arms purchase. Figure 1 shows the evolution of military spending in parallel with those of oil prices and the number of massacres, from the period between 1992 and 1998. The data for military spending is available only up to 1997 and is from the Stockholm International Peace Research Institute (SIPRI⁸⁵) while the annual number of massacres is obtained from the study *An Anatomy of the Massacres* by Ait-Larbi *et al.*⁸⁶

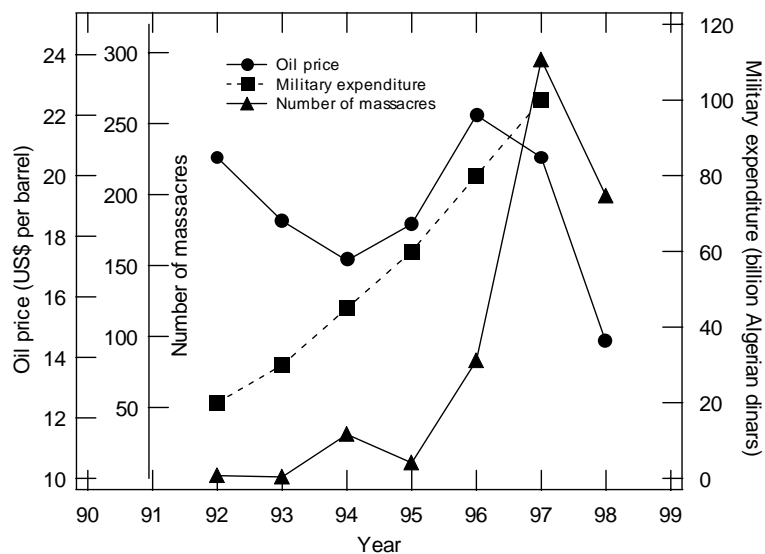


Figure 1. Evolution of military spending, oil income and massacre activity (1992-1998)

The figure shows that military spending has increased continuously since the military coup of 1992. This spending involved, for instance, purchases of aircraft for counter-insurgency campaigning from French (e.g. 60 *Ecureuil*

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helicopters with night-vision equipment) and South African (e.g. 83.3 million rands worth category A weapons including Seeker UAV systems) arms manufacturers, and 'anti-terrorist' weapons, gears and vehicles from British, Italian, German and US arms companies.⁸⁷ In July 1995, the *Arms Sales Monitor* revealed that US companies sold torture equipment to the military regime under licence OA82C and OA84C.⁸⁸ In April 1995, *Le Canard Enchaîné* reported the secret French sale of 79 510 Kilograms of tri-ethanolamin for the manufacture of mustard gas to the regime.⁸⁹

The rise in military spending displayed in the figure occurred while the industrial production decreased by 22 % between 1990 and 1997, and the GNP went down from US\$ 2,500 in 1987 to US \$ 1,600 in 1997. Given the trend of oil prices, it is clear that a substantial and increasing proportion of the income has gone into financing the war. Note also that the number of massacres increases with military spending. It is clear the oil and gas income are exacerbating the conflict and the human rights crisis.

In addition to arms purchase, an important proportion of the oil and gas income goes into paying the salaries of 250,000 militiamen who, in addition to the army and security forces, absorb vast resources of the country. For instance, according to Hocine Zehouane, the vice-president of the Algerian League for the Defence of Human Rights, 70 % of the budget of the district of Boumerdès, east of Algiers, goes into maintaining the militiamen and the police.⁹⁰ It must be stressed that the financing of the war, including the setting up, training and arming of the militiamen, has been done with the blessing of the IMF. According to an anonymous high-ranking civil servant quoted by Jean-Paul Mari, already in 1995 the IMF had explicitly authorised the recruitment de 50,000 militiamen.⁹¹ On the other hand, this international institution has imposed an economic 'restructuring programme' that has led to more than 600,000 redundancies since 1992, and a reduction of public spending on education, health, and subsidies on basic foodstuffs. Three million Algerians are unemployed. At least 10 million Algerians live below the internationally recognised poverty threshold.

The multinational firms also contribute significant security and military support to the regime. This support takes the form of partial or full security arrangements for protecting industrial sites and personnel, especially in the hydrocarbon sector. It also includes providing advice and training of Algeria's military and paramilitaries, especially in *counterinsurgency* warfare.^F The transnational firms provide these military services directly, through their own security subsidiaries, or by contracting multinational corporations of war,

^F Persistent rumours in Algeria and amongst dissident officers allege that foreign mercenaries were involved in the massacres at Relizane in which about 1000 villagers were massacred within a week (from 30 December 1997 to 6 January 1998). The massacres spots were the hosts of AIS insurgent activity and situated near a junction of the main oil and gas pipelines linking the production zones of the south with the port of Arzew and the spur pipelines to Algiers.

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such as Defence Systems Limited⁹² or Executive Outcomes⁹³ which get a share of the oil income. Some of these companies are simply smokescreens for foreign military intelligence services; in 1995 Véronique Maur reported that:

Charter flights link Paris and Hassi-Messaoud directly, without a stop in Algiers. Small private planes, just like cars and oil installations, are under tight surveillance by the Algerian army and 'French private security companies', which are more or less camouflaged units from the French Direction Générale de la Sécurité Extérieure (SDECE – French secret services).⁹⁴

Mercenaries, former intelligence officers, and contract killers from all over the world participating in these activities are very well paid. Roula Khalaf notes:

Foreign companies can also use the services of dozens of private security companies which have sprung up in Algiers in recent years. Some were set up in partnership with foreign security companies. According to diplomatic sources, bodyguards and armoured cars are now on offer for about US\$1,000 a day.⁹⁵

This daily wage is at least ten times the guaranteed minimum monthly salary in Algeria. It should also be compared to Algeria's GNP per inhabitant, which collapsed from US\$2,500 in 1987 to US\$1,600 in 1997.

In summary, the influx of multinational firms goes hand in hand with the flight of the oil and gas income abroad, a huge rise in military spending, the building up of armaments, the militarisation of society through militias, further impoverishment of under-privileged sections of society and with an increase in massacres.

4.3.3. Contributing to Corruption

Widespread corruption pre-existed the involvement of transnational firms. According to Reporters Sans Frontières,

The ghost of corruption has haunted the economic and financial fluxes of the Algerian economy for the past two decades. It is a real network that uses the ways of trading for favours. It has its agents, hierarchies of functions, secret arbitration, and its levies which vary with the nature and stage of transactions. All this corruption money has made the leaders of the regime – including the most 'socialist' – into billionaires, but above all it has ensured the survival of the regime for long years by feeding the clientelist networks of the nomenklatura.⁹⁶

The economic review *Challenges* published, in April 1999, an investigation into 'Algerian billionaires [...], businessmen who accumulated billions of French francs, probably thanks to their close 'links' to the military hierarchy and to the security services of the country.'⁹⁷ It estimated their assets held outside Algeria at 200 billion FF (US\$ 40 billions).⁹⁸

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Abderahim Zerouali evaluated the money which feeds the corruption networks at 10-15% of the volume of imports; in 1992 this amounted to a total of 850 million to 1.3 billion dollars.⁹⁹ In 1997, this sum increased and was evaluated by economist and former prime-minister Abdelhamid Brahimi at 1.5-2 billions of dollars.¹⁰⁰

The massive influx of transnational firms has worsened the problem of corruption. They contribute to the spread of corruption through the practice of 'commissions' and other forms of bribery. 'The principal source of the money of corruption comes from the illegal commissions taken on the flow of foreign trade,' according to Abderahim Zerouali.¹⁰¹ Zerouali asserts that 'to ensure the smooth working of the [corruption] network, flow of goods and payment of commissions, the Algerian importers and the large exporting firms developed an occult mechanism of agreement.'¹⁰² This mechanism comprises, according to the author, three wheels:

- a) intermediary firms (the 'facades') behind which hide the large firms which deliver products and services to Algeria and which 'do not want to bear the direct responsibility for either the commercial risk associated with these deliveries, or the legal risks related to the payment of commissions'¹⁰³;
- b) giving advance information to foreign provider groups by their local partners about the tender offers (these services are remunerated);
- c) access to international loans which are, in general, used to pay for the imports.

This last wheel is particularly pernicious. Abderahim Zerouali affirms that:

Instead of negotiating tightly the costs of these credits with international public or private sponsors, the Algerian importers and bankers delegate this function to foreign exporting firms which make no bones about charging for this service by over-invoicing the costs of the credits. This system leads to a very significant increase in the cost of Algerian imports.¹⁰⁴

The transnational firms are involved in corruption networks linking them to the most important military officers of the army. In Algeria it is those who hold the monopoly of power and of the instruments of institutional violence that benefit most from corruption. The multinationals approach influential generals to protect and secure their interests in Algeria. The Algerian Movement of Free Officers, a Europe-based group of dissident officers opposed to the repression of the people and corruption of their institution, have made allegations implicating a large number of firms and officers in corruption. For instance, major-general Mohamed Bétchine is said to receive 'a regular revenue from the American oil companies Anadarko and Arco.'¹⁰⁵ Major-general Larbi Belkheir receives 'an astronomical monthly revenue' from an Italian gas pipeline construction company for which he secured the

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contract at the expense of an Algerian firm.¹⁰⁶ Major-general Mohamed Lamari, the chief-of-staff, gets 'commissions from French pharmaceutical companies in Algeria.'¹⁰⁷ Major-general Mohamed Médiène, head of the Direction du Renseignement et de la Sécurité (DRS – military intelligence), is 'the principal shareholder of the South-African company of prospecting gold and diamonds in the Ahaggar [and] secured a significant revenue from several oil prospecting multinationals.'¹⁰⁸ His elder son is a member of the 'Board of directors of Daweoo in Algeria.'¹⁰⁹ General Smäïn Lamari, head of the Direction du Renseignement Extérieure (DRE – military counter-intelligence), receives 'broad commissions on the contracts for the supply of armaments from the French.'¹¹⁰ Major-general Mohamed Touati receives 'commissions on all the major investment projects and oil prospecting ventures for which his private security companies provide security support in return for a percentage levied on each well.'¹¹¹ General Mohamed Hartani receives 'large market commissions from Siemens and other building material companies.'¹¹² General Benabbes Ghezail received significant bribes 'in the purchase of equipment for the national Gendarmerie, in particular from the company Beretta.'¹¹³

In *Les circuits de l'argent noir*, Zerouali stresses that the system of corruption rests on various pivots. He explains that:

So that the system of corruption operates effectively, the external and internal parts must be well articulated. There intervenes the powerful hidden network of public company directors, civil servants, financial directors, customs officers, etc. Its activity is varied and covers all the links in the decision line of every import. [...] High ranking civil servants and businessmen manage and control the members of the network. Their names never appear in the contracts and administrative documents in the chain of blackmail and constraints which feeds corruption. [...] The corruption network not only bleeds the Algerian economy white by over-invoicing, but it does everything so that it remains under-developed because a national production which is effective would diminish the cost of imports and hence commissions.¹¹⁴

The corruption in the oil industry is the most disastrous. According to *Algérie Confidential*:

Cadres of *Sonatrach* who work in the department of engineering and construction (ENC) are in the hot seat. The financial squad of security services suspects that several members of this department (ENC) have eased the attribution of rich oilfields in exchange for fat commissions on important contracts signed with American firms.

Sonatrach signed a one billion dollar contract with the American firm Arco to exploit the oilfields of Rhourde El Baguel. Thus Arco has had to pay 225 million dollars as an entrance fee alone. In December 1995, the British company BP signed a three billion dollar contract for the exploitation and commercialisation of gaz. The French company Total and the Spanish firm Repsol signed a 900 million dollar contract. It is hard to resist temptation before this financial manna.

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Comment of a former Sonatrach executive: 'the ENC department is in a strategic position on the way to the "reservoir".'

The inquiry is blocked by those who think that a wave of arrests within Sonatrach risks having negative consequences on foreign investments especially of the partners who are already involved. This opinion, which is shared by the leaders, increases the discrimination between the companies but also between the managers. It makes Sonatrach an 'expatriate' entity to which the most rigorous laws of the country do not apply.¹¹⁵

The 'negative effects' of inquiries on such crimes are only a pretext. The reality is that the military rulers are heavily implicated in corruption. Even worse, the regime allows economic criminals to launder their illicit gains. And in all these crimes, there are scores of complicit transnational companies.

5. Summary and Conclusion

The aim of this paper was to document and analyse the responses of transnational corporations operating in Algeria to the waves of massacres that have shocked the world in recent years.

It was found that rather than condition their trade with the military regime on respect for human rights and progress towards a peacefully negotiated solution, the multinationals show more interest in a 'stability' built on military coercion, and in exploiting the internal weakness and international isolation of the military regime. Their standard response to the massacres has been silence and keeping a low profile. But some companies have actually acknowledged making profit out of the massacres and the human rights crisis. The firms which sought to justify their involvement in Algeria have argued that business is amoral, it has no political or human rights consequences, or else it has positive socio-economic impacts on Algerians. The analysis also inferred that the transnational companies do not see the massacres and human rights violations as damaging or undesirable to their business because their assessments of risks distinguish and measure profitability, geological, commercial, security, environmental and legal risks but excludes those pertaining to human rights violations. The paper also illustrated the double standard towards the worth of human life implicit in the security policies of the firms.

After giving some indications about the volume of trade and mutual interests between the multinationals and the regime, we sought to explain why the firms respond to the massacres and human rights crisis as described above. It was shown that the response and attitude towards human rights violations in Algeria fit global patterns in the behaviour of multinationals towards human rights violations: 'pumping blood money out of countries run by military dictatorships.'¹¹⁶

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It is unclear whether this accessory behaviour to human rights violations can be changed. When under pressures from an increasingly ecologically aware public and movements such as Greenpeace, the transnational corporations did for the most part respond to the criticism of their irresponsible practices towards nature. For instance, most oil firms recognise and take into account the ecological risk, run 'health, environment and safety (HES) programs' and have ethical codes that care about ecology.¹¹⁷

Regarding human rights, Amnesty International has invested efforts to persuade the transnational firms to 'introduce codes of conduct incorporating human rights' and 'act responsibly.'¹¹⁸ Acknowledging the real power that oil firms hold at the international level, Amnesty International's General-Secretary, Pierre Sané, stressed the urgency to involve them in the combat for the respect of human rights:

We feel those oil companies have certainly more influence than U.N. bodies, or other governments, because they are really the lifeline in terms of the resources that the regimes need. And therefore we have to ensure that those companies will join in the effort to improve the human rights situation in those countries... they can't be silent in the front of all these injustices.¹¹⁹

For the Algerians victimised by the military regime and its accessories, this is clearly the only way forward. It is a bitter irony of their history that it was a UN body, UNESCO, which organised, in Algiers itself, on 5-8 December 1982 a meeting of international experts on the role of private firms as constraints on human rights.^G Ten years later the leaders of the military coup ignited a devastating war against Algerian society. The massive human rights violations that ensued, and that are still ongoing, would have been prevented had the generals not found so powerful and irresponsible accessories to their most shameful crimes.

'Algerian oil is red,' said those who survived the war against France. Will Anadarko, BP-Amoco, Total, Agip, Repsol, and ABB walk on the blood of their fellow humans or will they 'go and get some water to wash it'?

^G See extracts of the conclusions and recommendations of the meeting in appendix 2.

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Appendix 1. Le défilé des délégations commerciales

Durant la période des grands massacres en Algérie, les firmes étrangères se bousculaient pour décrocher des contrats avec le régime algérien. L'une après l'autre, les délégations commerciales se rendirent à Alger, souvent accompagnées de responsables politiques de leurs pays respectifs.^H

1. L'Afrique du Sud

L'Afrique du Sud entretient des relations commerciales avec l'Algérie notamment dans le domaine de l'armement et dans la prospection et exploitation minières. Au milieu de l'année 1997 des négociations étaient en cours avec des entreprises sud-africaines pour l'exploitation de la mine d'or d'Amesmassa, dans le Hoggar, dont les réserves sont estimées à 85 tonnes.¹²⁰

2. L'Allemagne

Au mois de juillet 1997, une grande délégation économique se rendit à Alger pour passer des contrats. Une chambre commune entre hommes d'affaires algériens et allemands a été créée à cette occasion. Dans une interview avec un haut responsable de l'économie allemande, la correspondante à Bonn de *Radio Orient* (Paris) lui a demandé la fin juillet 1997 s'il n'avait pas peur de faire des affaires en Algérie. Il a répondu qu'il y avait en Algérie avant eux des milliers de Français et d'Américains et qu'ils n'avaient pas eu de problèmes. Lorsque la journaliste a évoqué les risques encourus, il a répondu qu'ils avaient des garanties (couverture des risques) par le gouvernement fédéral allemand, en ajoutant que les finances algériennes étaient devenues assainies.¹²¹

Parmi les entreprises allemandes intéressées par le marché algérien on trouve le groupe MAN qui prévoyait de s'associer à la Entreprise Nationale des Véhicules Industriels (ENVI) dans une joint-venture pour fabriquer des bus destinés au marché intérieur.¹²² Un responsable du groupe a déclaré: 'Nous avons conclu les premiers accords concrets et espérons voir bientôt le bout du tunnel. Mais la situation reste délicate.'¹²³ Quant au porte-parole de Fritz Werner Industrie-Ausruestungen, filiale du groupe MAN, il a déclaré que sa firme venait de repérer un créneau intéressant: 'Pour l'instant, personne ne fabrique de linge en Algérie.'¹²⁴

Un autre géant de l'industrie allemande, Siemens – qui a un passé noir de compromission avec le régime nazi – se profile dans le domaine de production d'électricité et aussi dans le domaine de l'équipement médical. Siemens dispose dans ce dernier secteur d'un représentant de taille en Algérie.¹²⁵ Il s'agit du général Mohamed Hartani, ancien directeur de l'hôpital central d'Alger, qui représente cette firme 'sous la couverture de son épouse'.¹²⁶

^H A la fin de l'année 1997, les six premiers fournisseurs de l'Algérie étaient: la France (25%), l'Espagne (12%), les Etats-Unis (11%), l'Italie (8%), l'Allemagne (6%) et le Canada (5%), tandis que les six premiers clients: l'Italie (20%), les Etats-Unis (18%), la France (12%), l'Espagne (7%), les Pays-Bas (6.7%) et le Brésil (5%) (*Le Monde*, 23 octobre 1997).

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*International Responses***3. L'Autriche**

En septembre 1997, le ministre autrichien de la Recherche et des Transports, Caspar Eienem, s'est rendu à Alger, accompagné d'une délégation de chefs d'entreprises autrichiennes. Il y avait dans cette délégation des représentants de la firme VAE qui visait un contrat pour la modernisation de l'entreprise algérienne Batimetal fabriquant de matériel pour la Société nationale des transports ferroviaires (SNTF).¹²⁷

4. Le Canada

Du 15 au 20 juin 1997, une délégation d'hommes d'affaires canadiens ont participé à un 'salon des technologies et du savoir-faire' tenu à Annaba. Ce premier salon devait être suivi en septembre de la même année d'un deuxième à Oran. Lors du salon de Annaba 57 protocoles d'entente ont été signés. Guy Charbonneau, président de la Société de commerce international de Montréal (SCIM) a déclaré à la presse:

Nous ne pouvons financièrement chiffrer avec précision le montant des protocoles d'entente signés avec nos homologues algériens. En tout cas, pour nous, Canadiens, ici présent à Annaba, les 60 millions de dollars US du programme d'aide au développement des pays du Maghreb prévu par notre gouvernement ne sont rien par rapport aux engagements de plusieurs centaines de millions que nous comptons investir dans différentes branches d'activité, surtout agroalimentaire en Algérie.¹²⁸

Marc Gosselin, vice-président de la SCIM était tellement enthousiaste qu'il 'demanderait, avec insistance et sur un ton très sérieux au premier responsable de la wilaya [d'Annaba]: "Comment faire pour avoir la nationalité algérienne".¹²⁹ Un autre membre de la délégation canadienne fera son *mea culpa* en affirmant: 'Nous sommes vraiment dérangés et désolés d'avoir cru un moment que tout ce qui était véhiculé et diffusé par les médias était vrai.'¹³⁰ 'Emerveillés par la beauté de l'Algérie et énormément satisfaits des résultats enregistrés à l'issue du salon, les Canadiens ont tenu à souligner que sur le plan sécuritaire: "Dans les rues de New York, il y a beaucoup plus de risque que dans les coins les plus reculés d'Algérie. L'Algérie est un havre de paix".¹³¹

5. La Corée du Sud

Le groupe industriel sud-coréen Daewoo est présent en force en Algérie et dans des domaines très variés. En avril 1997 déjà, le Premier ministre Ahmed Ouyahia avait indiqué lors d'une conférence de presse que ce groupe, 'déjà propriétaire de l'hôtel Hilton d'Alger, avait postulé pour l'acquisition de deux groupes industriels algériens, le Complexe de véhicules industriels de Rouiba et l'usine de fabrication de produits électroniques de Sidi Bêlabès.¹³² A la fin du mois d'août 1997, période marquée en Algérie par les massacres à grande échelle, Daewoo a annoncé un programme d'investissements de 2 milliards de dollars en Algérie.¹³³ Charlotte Blum a commenté en octobre 1997 dans *Courrier International* l'implantation de Daewoo en Algérie:

Daewoo, qui commercialise des voitures en Algérie depuis quelques années, a annoncé les investissements les plus spectaculaires. Étalés sur cinq ans et concernant des secteurs aussi divers que l'assemblage automobile, les téléviseurs et l'hôtellerie, ils ont donné un coup de fouet au gouvernement algérien. [...] Et le traitement du gaz naturel est inscrit au menu de Daewoo. Dans le domaine de l'électricité, Daewoo étudie un partenariat avec Sonelgaz la compagnie publique d'électricité.¹³⁴

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6. L'Espagne

Lors de sa visite en Espagne en février 1998, Ahmed Attaf n'a pas manqué de rencontrer les géants de l'industrie espagnole. Miguel Vellar Mir, patron de Fertiberia, celui du groupe pétrolier Cepsa et les présidents de Gas Natural et Repsol, des géants des hydrocarbures qui travaillaient déjà dans le Sahara algérien. Le gazoduc Maghreb-Europe (GME), reliant depuis la fin de 1996 les deux rives de la Méditerranée avait renforcé les liens économiques entre l'Algérie et l'Espagne. Fertiberia, premier groupe espagnol de fertilisants a promis d'investir dès 1998 un demi milliard de dollars, soit plus de la moitié des investissements étrangers attendus en Algérie en 1998.

Quelques semaines plus tard, le 18 mars, le ministre algérien des Mines et de l'énergie, Youssef Yousfi, s'est rendu à Madrid, accompagné entre autres du Pdg de Sonatrach. Il a lancé un appel aux investisseurs espagnols pour qu'ils s'intéressent à l'«immense chantier de développement économique et social [algérien]» et pour qu'ils participent en force à un grand nombre de projets stratégiques dans les secteurs des mines, de l'énergie, de la pétrochimie, de la construction et de l'agriculture. «Nous avons maintenant la certitude que la crise politique est terminée. Nous amorçons la relance de notre économie dans un contexte national stabilisé et nous entrons dans une nouvelle phase,¹³⁵ a-t-il déclaré.

7. Les Etats-Unis

Dès l'instauration du régime de Zeroual, le pouvoir algérien a mené deux actions en direction des Etats-Unis¹ afin de les avoir comme allié, la première d'ordre politique par un lobbying intensif auprès des groupes d'influence sur la politique américaine, notamment les lobbies sionistes auxquels la diplomatie algérienne a promis l'enclenchement du processus de normalisation avec l'Etat hebreux, la participation de l'Algérie à Charm ech-Cheikh s'inscrivant dans cette logique. La deuxième action est d'ordre économique. Elle a consisté à ouvrir la porte aux firmes américaines, des hydrocarbures notamment, afin d'exploiter les champs de pétrole et de gaz algériens à des conditions qui leur sont plus que favorables.

Les actions du pouvoir algérien ont vite porté leurs fruits puisqu'il y a eu revirement spectaculaire de la politique algérienne des Etats-Unis qui ont affiché un fort soutien au général Zeroual.

Ainsi, les compagnies américaines ont été encouragées à aller en Algérie. Pour les stimuler, la banque américaine de garantie des exportations et importations (Ex-Im Bank) a accordé en 1997 à l'Algérie un prêt de 150 millions de dollars pour l'exploitation d'hydrocarbures.¹³⁶ En juin 1998, à la veille d'une transaction de 56 millions de dollars portant sur des équipements et des services qui seraient fournis à Sonatrach par des firmes américaines, James A. Harmon, président de l'Ex-Im Bank a déclaré lors de la cérémonie de signature du contrat: «This transaction continues a very successful, long-standing relationship between Ex-Im Bank and Sonatrach that benefits both U.S. exporters and Algerian economic development»¹³⁷, alors que le PDG de Sonatrach, Abdelmadjid Attar, a exprimé sa reconnaissance à l'Ex-Im Bank pour sa «continued confidence in assisting in the development of Algeria's hydrocarbon resources».¹³⁸

Afin de faciliter les transactions financières dans les domaines pétrolier et gazier avec l'Algérie, la banque américaine Citibank, présente en Algérie² depuis 1992, a élargi la palette de ses services sur place. Un responsable de cette banque, soucieux de la sécurité des em-

¹ Les Etats-Unis avaient au début de la crise algérienne une attitude en faveur d'une issue politique au conflit algérien, selon le modèle Sant'Egidio.

² Citibank has run a representative office from a hotel in Algiers, headed by an Algerian, since 1992.

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plyés expatriés à envoyer en Algérie, a déclaré cependant à la fin de l'année 1997 que: 'This is a difficult time. Expanding in Algeria will have to be done cautiously.'¹³⁹

Les compagnies américaines n'ont pas réfléchi deux fois pour pénétrer le marché algérien, et un nombre considérable d'entre elles (voir section 2.3) ont pris en Algérie des positions stratégiques dans le domaine de l'énergie et les industries périphériques.

Ainsi, pour ce qui concerne la firme Anadarko, par exemple, qui a commencé ses activités en Algérie en 1989 déjà,

[its] largest international venture is in Sahara Desert of Algeria where the Company has been responsible for some of the largest discoveries made around the world in recent years. [...] Since [1989], Anadarko has drilled 40 successful wells and discovered more than 2 billion barrels (gross) of crude oil and condensate. Algeria now accounts for about 26 percent of Anadarko's total proved reserves. [...] Since 1998, the Company and its partners Sonatrach (the national oil and gas enterprise of Algeria), Lasmo Oil (algeria) Limited and Maersk Olie Algeriet AS, recorded the highest level of drilling activity since operations began in 1989.¹⁴⁰

En janvier 1998, période marquée par la recrudescence des massacres, la compagnie américaine Oryx a signé avec la Sonatrach, le 14 janvier, un contrat de recherche et d'exploitation de 28,8 millions de dollars. 'Ce contrat comprend des travaux d'exploration et de forages sur 7570 km² dans le Sahara, dans la région de Timmisit, en bordure du bassin de Berkine. Il comprend également la formation de personnel.'¹⁴¹

Mais les affaires en Algérie ne sont pas florissantes dans le domaine de l'énergie uniquement. Vers la fin de 1997 Nana Darko de la compagnie Aviation Systems International, qui négociait une joint-venture avec Air Algérie, a déclaré que: 'Les choses bougent en Algérie. Dans deux ans, le pays aura beaucoup changé.'¹⁴² La firme Boeing décrochera quelques mois plus tard un contrat de livraison à l'Algérie entre 2000 et 2002 d'une dizaine d'appareils de ligne¹⁴³. Pfizer, de son côté, organisera même à Alger en juin de 1999, année où cette firme célèbre son 150^{ème} anniversaire, un séminaire dans un grand hôtel d'Alger pour faire la promotion du Viagra dans un pays chaud de tous les points de vue.

8. La France

Même dans les périodes où les relations politiques entre Alger et Paris passaient par les pires difficultés, et où il y a eu durcissement de la politique des visas pour les Algériens et suspension des vols Air France pour l'Algérie, l'Algérie n'a pas cessé un instant d'être le marché africain de la France par excellence. C'est sans doute pour cela que le ministre algérien de l'Intérieur, Abedelmalek Sellal, a perdu son calme devant son homologue français, Jean-Pierre Chevènement, en visite à Alger en juin 1999: 'Dites-nous pourquoi les bateaux français viennent en Algérie et pas les avions ?'¹⁴⁴

La Compagnie française d'assurance pour le commerce extérieur (COFACE) est un opérateur déterminant dans les échanges commerciaux entre la France et l'Algérie. En fait, si ces échanges ont été relativement pénalisés dans les premières années du conflit algérien, c'est à cause du niveau élevé des primes d'assurances exigées par la COFACE qui classait l'Algérie dans la catégorie des pays à risque maximum. Mais dans son rapport du début de l'année 1998 sur les 'risques pays', la COFACE a estimé que l'Algérie présentait à court terme un 'risque faible pour les investisseurs étrangers', en se félicitant que 'le programme d'ajustement structurel a permis de rééquilibrer les finances publiques [algériennes]'.¹⁴⁵ Cette déclaration a été faite peu de temps après les terribles massacres de Relizane: entre le 30 décembre 1997 et le 5 janvier 1998, 650 à 850 victimes sont tombées dans cette région.

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Cependant, le CNPF n'était pas content de cette appréciation de la COFACE et il se battait pour la faire changer.¹⁴⁶ D'ailleurs son président François Périgot n'était pas le seul à vouloir lever cette restriction. Le pouvoir algérien était aussi engagé dans cette bataille et réclamait que le cas de l'Algérie, où il ne restait selon lui qu'un 'terrorisme résiduel', soit réévalué par la COFACE. Le ministre algérien de l'Industrie et de la Restructuration, Abdelmadjid Menasra, a déclaré le 28 mars à la délégation du CNPF que la COFACE devrait 'réviser ses règles dans le sens d'une redynamisation de la coopération', car, selon le ministre, le marché algérien recelait 'de réelles opportunités que les entreprises françaises doivent exploiter.'¹⁴⁷ La requête du président du CNPF et des autorités algériennes, rejetée par le ministère français des Finances, bénéficie cependant du soutien du ministère des Affaires étrangères sous Hubert Védrine.¹⁴⁸

A la fin du mois de mars 1998, il y a eu la visite à Alger d'une forte délégation de patrons français. Cette visite devait être suivie par une visite en mai, puis par des journées d'études sur l'Algérie, à Paris, réunissant des représentants des milieux économiques français et algériens. La délégation d'hommes d'affaires français qui a séjourné à Alger du 27 au 30 mars 1998 était conduite par le président du CNPF-International, et comprenait treize patrons de grandes entreprises dont les trois grandes banques: le Crédit Lyonnais, la Société Générale et la BNP, ainsi que les principaux groupes industriels français: Bouygues, Bull, CEG-Alsthom, la Générale des Eaux, et les Laboratoires Fabre.¹⁴⁹ A la fin de sa visite, le chef de la délégation n'a pas manqué de dresser un portrait optimiste de la situation économique algérienne, saluant en particulier les efforts considérables de restructuration 'en profondeur' de l'économie algérienne. Il a même jugé que l'Algérie répondait 'à tous les critères' pour l'investissement international.¹⁵⁰

9. L'Italie

Malgré les hauts et les bas dans les relations politiques algéro-italiennes depuis 1992 (voir papier sur l'Union européenne), la présence en Algérie des firmes italiennes des hydrocarbures et de la pétrochimie n'a jamais cessé. Le gazoduc Transmed reliant l'Algérie à l'Italie depuis 1980 était le garant de la constance de la coopération dans le domaine de l'énergie. Ainsi, la firme AGIP, du groupe ENI, qui a confirmé dès le début de l'année 1997 la découverte de nouveaux gisements de pétrole à Hassi Berkine, a annoncé qu'elle projette d'accroître sa présence en Algérie.¹⁵¹ Le 27 mai de la même année, AGIP a signé à Alger avec la Sonatrach 'un contrat de recherche et d'exploration de gisements de gaz humide d'un montant de 31,7 millions de dollars, pour le forage de cinq puits dans le périmètre d'In-Amedjane, au sud-est d'Hassi-Messaoud.'¹⁵²

10. Le Royaume-Uni

'Nous investissons en Algérie parce que c'est le seul pays du Maghreb où l'on fabrique des chariots élévateurs,¹⁵³ a expliqué en automne 1997 un responsable du groupe industriel britannique Boss. Par ailleurs, un responsable de SmithKline Beecham, une firme de produits radiopharmaceutiques qui désire investir dans la production de pénicilline en Algérie au sein d'un consortium qui regroupe aussi les firmes Sanofi (France), Biochemie (Autriche) et l'investisseur algérien Mostapha Aït Adjedjou, a indiqué qu'il n'est pas exclu que nous l'agrandissions par la suite, cela dépendra de la situation qui régnera dans le pays.'¹⁵⁴

La présence la plus importante de firmes britannique reste cependant celle de British Petroleum (BP) dans le domaine gazier surtout. Cette firme qui aspire à devenir le principal fournisseur du gaz algérien en Europe a réussi à avoir des concessions au Sahara d'une surface supérieure à celle de l'Angleterre. Lors des trois premières années de la guerre, BP avait quelques hésitations à investir en Algérie. Elle suivait de près l'évolution de la situation poli-

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tique et en était bien informée. Un représentant de BP a assisté à un séminaire tenu à Londres le 15 juin 1994 par le Royal Institute of International Affairs à Chatham House sur l'Algérie et a suivi avec beaucoup d'intérêt les interventions de personnalités de l'opposition algérienne et participé au débat. Mais dès que le régime de Zeroual s'est consolidé et a eu en particulier le soutien des Etats-Unis, BP a décidé de 'mettre le paquet en Algérie' aux côtés de ses consoeurs américaines. Ainsi on a appris que:

BP is to develop in Ain Amenas a major gas field following its signing of a \$3.5 billion partnership agreement in December 1995. The agreement, which BP expects to last for 20 to 30 years, entails BP bearing 65% of the costs in return for a third of the profits.¹⁵⁵

11. La Suisse

Bien qu'un certain nombre de compagnies suisses (les grandes surtout) travaillaient en Algérie, la présence économique suisse est devenue faible en Algérie à la suite du conflit. Ceci était en conformité avec l'absence de la Suisse au plan diplomatique, puisque très tôt elle a fermé son ambassade à Alger. Mais il y avait tout le temps du lobbying de la part du pouvoir algérien, et de plusieurs industriels suisses, pour rétablir les relations économiques à leur niveau excellent d'avant-guerre. Ces campagnes de lobbying ont abouti en avril 1997 à l'organisation d'un forum économique algéro-suisse tenu au prestigieux Hôtel Beau-Rivage de Lausanne les 10 et 11 avril 1997. L'Office pour la promotion de l'industrie genevoise et la firme suisse Asea-Brown Boveri (ABB), présente sur le sol algérien, ont joué un rôle clé dans la tenue de ce forum.¹⁵⁶

ABB travaillait en Algérie dans le domaine de production d'électricité¹⁵⁷ et était présente à travers la firme SARPI, société mixte entre la Sonatrach et ABB-Italie, spécialisée dans la réparation des pipelines. 'Active dans la production de centrales thermiques (gaz, pétrole), [elle] ne s'émeut pas de travailler dans un pays où la classe au pouvoir est ostensiblement corrompue et où l'exécutif, issu d'un coup d'Etat, a verrouillé le système constitutionnel: "Nous sommes là pour faire des affaires, pas de l'analyse politique. D'autant plus que la situation est complexe", note Albino Sala, un des responsables pour l'Afrique du Nord.¹⁵⁸

François Brulhart, de l'Office pour la promotion de l'industrie genevoise avait fait un voyage en Algérie pour préparer le forum. Il est revenu avec 'un sentiment de sécurité, la confirmation des énormes potentialités et richesses du pays, l'impression que la classe gouvernementale est beaucoup moins corrompue et la certitude que les entreprises genevoises devraient profiter de ce marché. Les autres, Allemands, Italiens, Espagnols, Américains ou Canadiens, y sont déjà eux.¹⁵⁹

Ont assisté à ce forum côté algérien, le gouverneur de la Banque centrale et le Pdg de Sonatrach, et du côté suisse, Franz Blankart de l'Office fédéral des Affaires économiques extérieures. Olivier Bovet, du même Office a déclaré que: 'Sur le plan strictement économique, l'Algérie est un pays intéressant, qui s'ouvre à la libre entreprise. Nous ne souhaitons pas pousser les entreprises suisses à s'y installer, mais faciliter l'implantation de celles qui le souhaitent.¹⁶⁰

Pour Benno Laggner, chargé du Maghreb au Département fédéral des Affaires étrangères, le forum n'avait rien de surprenant. 'Après tout, nos relations avec l'Algérie sont aussi normale que possible. On espère quand même qu'elles [les entreprises suisses désireuses de travailler en Algérie] ne vont pas entrer dans le jeu, beaucoup trop dangereux, des pots-de-vin,¹⁶¹ a-t-il déclaré.

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Reactions of the Transnational Companies

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A la question de savoir le sentiment que l'on puisse avoir en faisant des affaires avec un régime comme celui d'Alger, le Secrétaire d'Etat Franz Blankart a répondu: 'Je me demande si vous n'êtes pas à côté de la plaque, avec votre question.'¹⁶²

Dans un article intitulé 'La Suisse tend la main au régime militaire algérien', le journaliste Antoine Menuisier du *Nouveau Quotidien*, a rapporté la position officielle, jusque là non déclarée de la Suisse, exprimée en des termes crus par un fonctionnaire fédéral: 'La Suisse semble avoir fait le choix de satisfaire les attentes du pouvoir algérien. Plus l'Occident investira d'argent sur le sol algérien, dit-on à Berne, moins le peuple sera tenté par la prise des armes contre le régime militaire.'¹⁶³

Un économiste sympathisant du FFS, employé d'une organisation internationale a expliqué dans une interview l'attitude des firmes et des responsables de l'économie suisse: 'Un homme d'affaires est un homme d'affaires, il voit un pays comme un marché. Mais il est clair que la morale interdirait d'investir dans les conditions actuelles. Le produit de première nécessité, loin devant tous les autres, pour les Algériens, c'est la paix. Or, les entreprises étrangères pourraient agir en ce sens, si elle demandaient aux autorités de créer un climat préalable de sécurité et de confiance.'¹⁶⁴

Le forum économique de Lausanne aura eu une implication concrète: la création plusieurs semaines plus tard d'une Chambre de commerce algéro-suisse, dont les statuts devront être approuvés par les autorités compétentes des deux pays.¹⁶⁵

Le critique la plus incisive de ce forum est venue du journaliste Denis Etienne de *L'Hebdo*. Son article, 'Algérie: la guerre n'empêche pas les affaires', avait comme sous titre: 'Suisse en lice: Une nouvelle vague de massacres coïncide avec l'ouverture d'un forum économique algéro-suisse. Mais les affaires sont les affaires'. Le journaliste suisse a écrit:

Normalement, ce serait une tache noire dans le tableau. Très tache, très noire. Depuis une semaine, des informations sur des massacres atroces paraissent à nouveau dans des journaux algériens. Par dizaines, des villageois, femmes et enfants inclus, sont assassinés de la pire des manières. A en croire le journal *Liberté*, la mutilation à la tronçonneuse se substitue même parfois à l'égorgement à l'arme blanche, comme si les Groupes islamiques armés (GIA) voulaient prouver leur capacité à progresser indéfiniment dans l'horreur. Ce jeudi, à mille lieues de là, à l'Hôtel Beau-Rivage de Lausanne, s'ouvre un 'forum économique algéro-suisse'. Représentants des deux pays et hommes d'affaires y parleront business. Sans états d'âme.¹⁶⁶

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Appendix 2. Pouvoirs privés et limitations des droits de l'homme

Extraits des conclusions et recommandations réunion d'experts internationaux tenue à Alger les 5-8 décembre 1982 sur le thème du 'rôle des pouvoirs privés et non étatiques comme facteurs de limitation des droits de l'homme.'

Au terme de leurs travaux, les experts ont unanimement dégagé les conclusions et fait les suggestions et recommandations suivantes:

A. Ils ont considéré que les pouvoirs privés, notamment certaines sociétés transnationales, pouvaient se présenter comme des facteurs de limitation des droits de l'homme et des peuples, tant dans leurs dimensions nationale qu'internationale

Parmi les violations les plus caractéristiques, ils ont retenu:

Celles qui relèvent des atteintes aux droits des peuples tels qu'ils sont reconnus par les instruments internationaux des Nations unies et les normes régionales comme la Charte africaine des droits de l'homme et des peuples adoptée à Nairobi en juin 1981:

- le droit des peuples à disposer d'eux-mêmes, ainsi que leur droit à l'autodétermination ;
- le droits des peuples à disposer librement de leurs richesses et de leurs ressources naturelles ;
- le droit au développement, condition sine qua non de la promotion des droits de l'homme ;
- le droit à la paix et à la sécurité qui est particulièrement mis en cause par les actions des Etat qui prônent une idéologie raciste tels que l'Afrique du Sud ;
- le droit à la communication, tant sur le plan national qu'international ;
- le droit à un environnement sain et équilibré constamment menacé par le transfert de pollution des pays développés vers les pays en développement ;
- le droit à l'identité culturelle mis en cause par le processus d'uniformisation d'un modèle culturel y compris ceux des minorités et des populations autochtones.

Celles qui relèvent des droits économiques et sociaux:

- le droit au travail ainsi que la jouissance de conditions de travail justes y compris au plan salarial ;
- la libre jouissance des libertés syndicales souvent entravées par la création de syndicats-maison ou de syndicats ne prenant pas en charge les intérêts exclusifs des travailleurs ;
- le droit à la santé souvent affecté par les conditions de travail extrêmement difficiles pratiquées par certaines sociétés transnationales.

Celles qui relèvent des droits civils et politiques:

- le respect de la vie privée auquel il peut être porté atteinte par un abus des moyens informatiques de contrôle sur le flus transfrontière des données individuelles ;
- le droit d'association et d'expression mis en cause par l'action de certaines sociétés transnationales ;
- le droit de participer aux affaires publiques de son pays dont le jeu libre et démocratique est parfois faussé par des actions subversives et pernicieuses de sociétés transnationales et notamment par le financement occulte de campagnes électorales.

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Les experts ont toutefois convenu que la liste des atteintes aux droits énumérés ci-dessus est loin d'être exhaustive et que d'autres droits peuvent être mis en cause par le comportement de certaines sociétés transnationales.

B. Afin de lutter contre les effets limitatifs des pouvoirs privés sur les droits de l'homme, les experts ont mis l'accent entre autres sur les suggestions et recommandations suivantes:

Mesure sur le plan interne:

Initiatives législatives en vue de contrôler efficacement des sociétés transnationales sur le territoire national et notamment:

- par leur soumission sans restriction à la loi et à la juridiction locales ;
- par l'obligation de réinvestir une partie substantielle des bénéfices dans l'économie du pays hôte ;
- par la suppression de l'anonymat des actions ;
- par l'exigence d'une garantie étatique ou bancaire ;
- par la prise en considération du respect des principes des droits de l'homme dans l'élaboration des codes d'investissements.

Mesure sur le plan international:

- élaboration d'un code d'investissements modèle à l'image de celui du Pacte Andin qui s'imposerait à tous les Etats d'une même région ou au niveau universel ;
- élaboration de codes déontologiques modèles ou de contrats types assortis de clauses destinées à la protection des droits de l'homme ;
- adoption du Code de conduite des Nations unies sur les sociétés transnationales par une convention multilatérale obligatoire et l'établissement d'un organe indépendant pour son application ;
- création d'un groupe informel d'experts, gouvernemental ou non, chargé de répertorier et de dénoncer les violations des droits de l'homme les plus flagrantes perpétrées par les sociétés transnationales.

(source: Multinationales et droits de l'homme, Raphael Draï, Cao-Huy Thuan, Tran-Van Minh, Jean-Paul Bernard et Jean-Marc Fontaine, pp. 219-220, Presses universitaires de France, Paris 1984)

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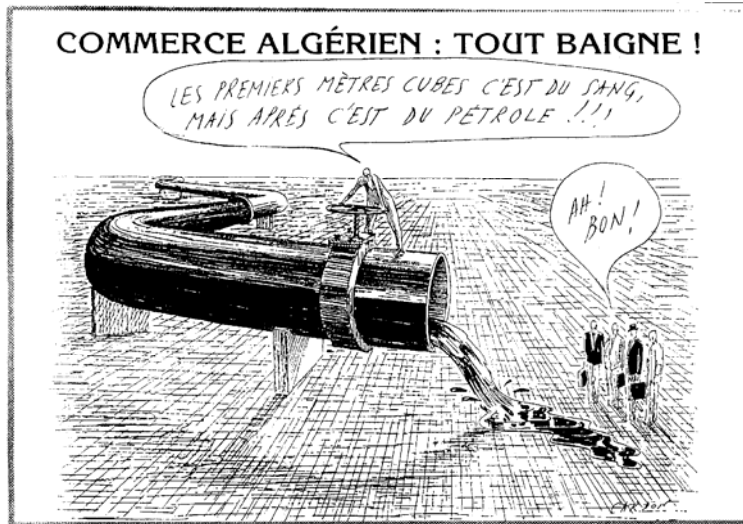
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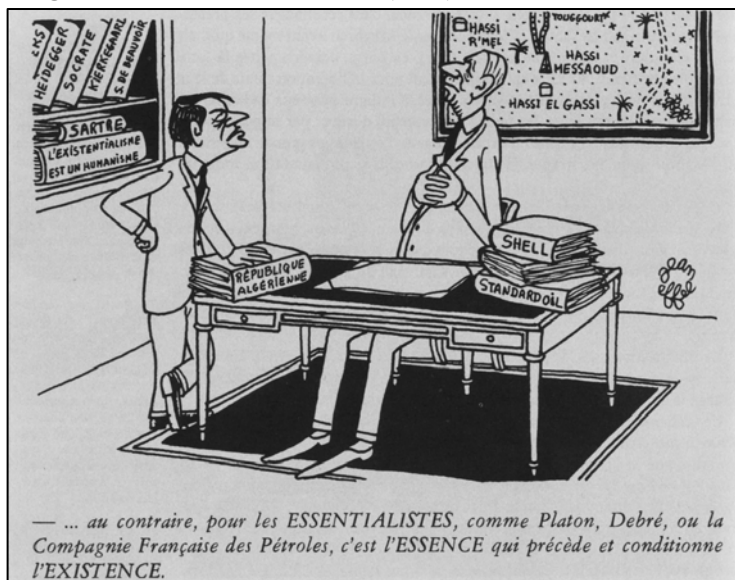
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Algeria after independence (1997)



Main caption: Algerian Trade: Everything bathes! *
Caption: The first cubic metres are blood, then comes oil!!!
Le Canard Enchaîné, No. 4015, 8 October 1997

Algeria before independence (1960)



— ... au contraire, pour les ESSENTIALISTES, comme Platon, Debré, ou la Compagnie Française des Pétroles, c'est l'ESSENCE qui précède et conditionne l'EXISTENCE.

Caption : For the ESSENTIALISTS such as Plato, Debré or the French Oil Company it is the ESSENCE which precedes and conditions EXISTENCE.
Henri Alleg, *La Guerre d'Algérie*, Temps Actuels, Paris 1981

(*) In French, 'tout baigne' suggests bathing both in blood and in oil; 'baigner dans l'huile' ('huile' stands for oil) means everything is hunky-dory.

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Recipient	No / value of licences for commodity CMTDY, OA82C	No/value of licences for commodity CMTDY, OA84C
Algeria	1 / \$ 35	2 / \$ 370

There were 350 export licences of torture equipment worldwide worth \$ 27 millions for the period between September 1991 and December 1993. According to US administration regulations broad ranging categories include :

OA82C : saps, thumb cuffs, thumb screws, leg irons, shackles and handcuffs specially designed implements of torture; straightjackets, plastic handcuffs, police helmets and shields, and parts and accessories.

OA84C : combines electric-shock batons and cattle prods with shotguns and shells.

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its part that: 'Our goals are no accidents, no harm to people, and no damage to the environment.' It ensures that: 'Everywhere we work we try to contribute to the development of civil society – establishing clear ethical standards for ourselves and our contractors, ensuring that the whole of the local communities benefit from our presence, and bringing some positive energy to the development of the community.' The Italian firm Eni also declares that: 'Among the Eni Group's top priorities is protecting the environment and safeguarding health and safety on the job and in the management of its production facilities.' The American firm Anadarko is not an exception to the rule and declares: 'In carrying out its operations throughout the world, Anadarko maintains a strong commitment to protecting the environment as well as the safety of employees and the public.' Australian firm BHP also gets itself in the 'community involvement': 'As a company through the Tesoro Hawaii Foundation and through individual efforts, Tesoro Hawaii contributes to a variety of causes including environmental concerns. It is both our obligation and our pleasure to return something to the communities that have provided a home for our businesses and our families since 1904. We have supported or sponsored the following environmental programs, activities, and services.' As for the French firm Total, it commits itself to give a significant place in its strategy to questions related to the environment and the security of people: 'Protection of the environment, prevention of major risks and security of persons and property are the first daily priorities of a group whose industrial activities interact permanently with its environment.'

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