

Algeria: democracy denied, and revived?

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Algeria was the first country in the Arab world to experience an ‘Arab spring’ at least two decades before Tunisia, Egypt, and Libya were to undergo their democratic *intifadas*. Yet that democratic moment was quickly subverted by a military *coup d’état* followed by a decade – long bloody civil war costing the lives of 200,000 people or more. The tripartite pillars of the Algerian state – party, army, Sonatrach – have maintained the political status quo since the 1992 coup in the face of a swelling discontent in civil society among a broad cross-section of Algerian youth, workers, women, Islamists, Berberists, and bourgeoisie, all demanding greater political freedom, economic opportunity, and social justice. This article analyses the complex manner in which the authoritarian Algerian state has been able to maintain its stranglehold over civil society at a time when it confronts a newly invigorated mass public energised by the democratic revolutions that have taken place in the neighbouring North African states of Tunisia, Egypt, and Libya.

Keywords: Algeria; Islamists; Sonatrach; democracy; army; Bouteflika; Arab spring

Thousands of people took to the streets fuelled by years of anger and frustration against a government viewed by many as unresponsive to populist aspirations in the areas of economic opportunity, social justice, and political freedom. Initial police response was unable to halt the riots and stem the unrest that were sweeping the country’s major cities as young men and boys took to the streets, targeting major symbols of the state including the national party headquarters and state-owned economic enterprises. For many of the frustrated, unemployed, and angry youth concentrated in over-crowded cities, the governing elite were deemed as hopelessly corrupt, a political class intent on exploiting the country’s massive hydrocarbon wealth to maintain and advance its powers, privileges, and perks at any cost. In desperation, the government called in the army that resorted to shooting at the demonstrators, killing hundreds of unarmed protestors in the process. As a consequence, the very foundation of the authoritarian, one-party state was shaken to its core forcing the regime to reassess the durability of its political legitimacy. In less than a year an amended constitution was promulgated that introduced a multiparty democratic system of rule that saw up to 60 different political parties register for participation in upcoming competitive elections. For the first time in the history of the modern Arab world, a popular uprising led to the elimination of one-party authoritarian rule to be replaced by a genuinely

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democratic and transparent multiparty system; one that included participation by a wide range of ideological formations and political groupings.

The country described above is Algeria, not Tunisia or Egypt, and the years were 1988–92, not 2010–11. The story ends in a military *coup d'état* staged by the army high command on 11 January 1992, followed almost immediately by a vicious bloody civil war that lasted nearly 10 years, costing the lives of over 200,000 people. On the heels of the Arab 'democratic revolutions' of early 2011, can democracy be returned to the country that first initiated the process of political opening, or are Algerian state and society still too traumatised by the violence of the past to replicate the successful transformations undertaken by its neighbours to the east? More critically, what structural features of Algeria's political economy give hope – or doubt – that a democratic transition can ever take place? Most crucially, can the tripartite foundations of Algerian authority – the army and its intelligence services, the wealth-generating national oil and gas company, Sonatrach, and the ruling cadres in the party and bureaucracy – be forced into a political compromise? Finally, will autonomous social forces manage to mobilise sufficiently large numbers of people across this vast nation to threaten the state's security apparatus and thereby usher in a Tunisia- or Egypt-like democratic revolution? This article seeks to answer these and related questions.

The past as prologue to the future or, plus ça change, plus c'est la même chose

Algeria's past political economy helps explain its problematic present and uncertain future. Indeed, a good two decades earlier, Algeria was the first Arab country to face the multiplicity of challenges that today have forced regimes in Tunis, Cairo, and Tripoli to collapse and others to fight for their very political survival. It was also the first to transition to democracy and then re-transition to authoritarianism albeit into a more competitive one.¹

In the early 1970s, Algeria began to harness the new wealth derived from its oil reserves and vast deposits of natural gas. The country concentrated on large industrialisation projects consistent with the strategy of 'industrialising industries' advanced by Houari Boumediene, president from 1965 to 1978.² Many of these initiatives soon proved to be less a source of economic gain than a symbol of national pride. Most heavy-industry plants either overproduced or underproduced. Factories were built on some of the richest agricultural land, weakening this critical sector of the economy. The agricultural sector was collectivised along socialist principles, but the government neglected the sector, focusing instead on the more glamorous heavy industries that, in theory, were intended to create a locomotive effect that would eventually pull along the agricultural domain. Instead, agricultural production stagnated and suffered from poor organisation and motivation. Imports of food skyrocketed because agriculture was being neglected and because of the country's relentlessly increasing population, which had more than doubled in the quarter century since independence in 1962, reaching 25 million by 1990 and estimated today (2011) at nearly 35 million.

These shortcomings were part of a broader condition of generalised failure. Algeria had long been plagued by serious problems of overpopulation, inadequate housing, overurbanisation, unreliable food production and supplies, a decrepit transportation system, chronic water shortages, an uncontrollable birth rate that, although significantly reduced in the last decade, has created one of the world's youngest populations with nearly 70% under the age of 30 (Belhandouz 2011, p. 99), and consistently high rates of unemployment and underemployment. For the better part of the 1960s and 1970s, however, vast revenues generated from oil and natural gas sales managed to contain if not override many of these problems. Indeed, buoyed by high oil

and natural gas prices on the world markets, Algeria was for many years a high-flying model for most of the world's developing nations. It spent billions of dollars on rapid industrialisation and at the same time heavily subsidised food prices so that it won a reputation as one of the third world's few welfare states.

However, the plunging of oil prices in the early 1980s combined with the gross mismanagement of Algeria's highly centralised economy brought about the nation's most serious social and economic crisis since the early days of independence. Serious shortfalls in hydrocarbon-generated revenues aggravated already existing problems within the Algerian economy. Even moves to liberalise the economy initiated by President Chadli Benjedid (1979–92) in the middle 1980s tended to favour those with money; unskilled workers, the unemployed, the educated underemployed, and those without access to foreign currency or the means to obtain goods on the flourishing black market lost out. Government policies intended to restructure the economy along market-oriented lines, long recommended by the World Bank and the International Monetary Fund (IMF) but hitherto ignored, at the same time the government was trying to service an increasing external debt resulted in food shortages, rising prices, and rampant corruption. Increased social tensions were reflected in waves of labour strikes, street disturbances, and public demonstrations – the very conditions of social malaise resulting in large-scale political protests that were to highlight the *intifadas* (uprisings) sweeping the Arab world, including Algeria, in early 2011.

In the 1980s, as with today, the sense of desperation was, and remains, vast. It was tied into deeper grievances associated with political disillusionment, cultural disaffection, and spiritual aridity. The dominating role of the state, buttressed by its tripartite bases of power in the National Liberation Front (FLN or *Front de Libération Nationale*), army, and government bureaucracy,³ effectively destroyed autonomous political life for the better part of Algeria's post-independence history.⁴ Centralised authority suffocated choice and extinguished opportunity, leading to a generalised sense of political purposelessness. Then as now, people have come to resent the ruling elite's apparent contempt or *hogra* for ordinary Algerians and their populist aspirations.

In the cultural realm as well an ambiguous mix of Arab, Berber, and French cultural strains created a confused national identity confounded further by uncertain government policies regarding language use, westernisation practices, schooling, and the treatment of women. To this was added a profound sense of spiritual aridity felt by many of the country's young. The revolutionary rhetoric of the past along with a commitment to domestic and global socialism had long ago lost their ideological appeal to most Algerians. State-directed secular ideology proved little more than political rationalisation for maintaining the power of the few at the expense of the disaffected many. By the early and middle 1980s a revived sense of spiritual purpose ensconced in Islam's universal truths aroused the nation's moral consciousness. It would be only a matter of time before this revivalist spirit was transformed into a powerful political message, in part inspired by Iran's successful Islamic revolution in 1979.

Beyond its own borders, Algeria was increasingly facing a world that was changing in dramatic and fundamental ways; a world no longer in tune with the country's state-centred revolutionary principles. The 1980s witnessed the revival of democratic ideals, the validation of privatisation policies and initiatives embedded in reinvigorated market-oriented economies, the disintegration of left-wing authoritarian regimes in the third world and the concomitant collapse of communism in Eastern Europe, and the plunge in the price of oil and other basic raw materials. These and other related developments created a global environment generally hostile to Algeria's domestic agenda and foreign policy orientation. Many of the same factors

in evidence then were to reappear and make themselves felt in the Arab context by the end of the first decade of the twenty-first century.

Algeria's multiple crises at home and abroad generated a continuous series of domestic conflicts and disorders culminating in the bloodbath of October 1988, still referred to by all Algerians as *les événements* ('the events').⁵ It was indeed ironic that Algeria's mobilising themes, which it had long articulated in urging the third-world front to struggle against an oppressive global political economic order – 'the misappropriation of wealth, the constitution of privilege, and the stubborn defense of an inequitable order' (Mortimer 1984, p. 20) – were the very same forces extant at home against which ordinary Algerian men and women rebelled. By the end of the 1980s there was an enormous gap between revolutionary rhetoric and the oppressive nature of Algeria's domestic political economic order. Fundamental change was required in both national and foreign policy spheres to reestablish a credible congruence that most people would find politically acceptable.

Algeria's democratic moment

The events of October 1988 served as gateway to more fundamental reforms originally initiated by Chadli Benjedid when he came to power in February 1979 following the unexpected death by cancer of President Boumediene.⁶ For many observers,

the riots [of 1988] were to be a turning point because they provided the opportunity for President Chadli and for the soft-liners within the regime to introduce significant political reforms resulting in an attempt to turn the country into a fully fledged democratic state which would embrace economic liberalism. (Cavatorta 2009, p. 1)

Chadli's cautious economic reforms at the time of his assumption of power were significantly accelerated in the mid 1980s, affecting the country's economic, bureaucratic, political, and foreign policy orientations. Both polity and economy were liberalised through a calculated program of decentralisation, deconcentration, and limited democratisation intended to redress many of the socio-economic and political failures previously identified.

Chadli's regime pursued three separate reform phases. From 1980 to 1987 the government directed most of its attention to overcoming structural problems in the economy. Specifically, reform measures revolved around four basic axes: shifting domestic investments away from heavy industry and towards agriculture, light industry, and consumer goods; breaking up large state enterprises into smaller and more manageable units; privatising portions of state-owned farmlands and their commercial networks; and encouraging private investment in industry and manufacturing.

On balance these measures proved too timid, too schematic, and too underfunded to challenge significantly the enormity of the state bureaucracy with its ensconced cadres jealously protecting their power, privileges, and patronage. The world price of oil dramatically dropped from almost \$40 a barrel in 1979 to under \$10 in 1986, immediately impacting Algeria's national treasury, which had received over 95% of its foreign currency earnings from hydrocarbon sales. The combination of poor domestic planning, political timidity, and the collapse of the price of oil aggravated further the many problems in the economy.

Responding to the country's aborted economic liberalisation efforts, Chadli's government confronted the challenges more directly. Starting in 1987 with the second phase of reforms, measures were undertaken to further liberalise polity and economy. An Algerian human rights league was legalised; the right of associations to organise, recruit, and propagate was

officially recognised by the National Assembly in its law of 21 July 1987; laws were passed to accelerate the privatisation and exploitation of state-owned lands; and new legislation granted considerable managerial autonomy to the many newly created reduced-sized enterprises that were now being asked to operate by the laws of supply and demand rather than by the dictates of central planning.

In many ways Chadli's economic reforms to address the fiscal deficit mirrored recommendations made by the World Bank and the IMF for overcoming structural problems extant in many third-world countries. Specifically, to stimulate production, subsidies on basic consumer staples were reduced and price controls lifted from state industrial and agricultural sectors, thereby allowing market forces to regulate resource distribution. These measures constituted only part of an overall austerity initiative that proved capable of meeting its designed purpose. By the late 1980s, tax increases and reductions in credit, imports, and government spending served in tandem to reverse the trends in GDP growth.

The social costs for such reform measures were high. Unemployment went from 11% in 1984 to 25% in 1988, and family purchasing power declined drastically. Attempting to reform state and society simultaneously proved beyond the capacity of an increasingly besieged regime. The explosion of October 1988 was the inevitable consequence of this conjunction of crises.

Following the bloodbath and destruction, Chadli took the opportunity to implement another wave of reforms, which went beyond anything Algeria had experienced since independence in 1962. In short, a veritable democratic revolution was initiated that was intended to unleash the country's productive human and material forces. This third reform period witnessed an explosion of institutional changes intended to create a 'nation of laws.' Major constitutional reforms were undertaken along with fundamental revisions in the organisation, power, and position of the FLN in state and society. For example, the FLN was officially separated from the state, and its monopoly of political power was eliminated. The military as well was removed from playing any direct role in party and politics. All these and other related measures were intended as a prelude to the institutionalisation of democratic life.

Following his reelection as Algeria's president for a third consecutive term in December 1988, Chadli carried through with his policy of political openness. On 23 February 1989, a new Algerian constitution was voted in by national referendum. Among its more significant features was the elimination of all references to socialism or socialist principles as necessary to Algerian political identity or development. Not only was this a dramatic turnaround in the country's official political ideology, which had long defined its revolutionary and populist identity,⁷ but it also signalled a formal break with the ideological foundation of its foreign policy orientation, based as it was on militant collective self-reliance among third-world states organised along socialist principles of redistributive justice, collectivisation, nationalisation, global cartelisation, and Western 'paybacks' for past practices of colonialist exploitation and pauperisation.

Other noteworthy constitutional changes included unrestricted freedoms of expression, association, and organisation (Article 39), the right to form unions and stage labour strikes (Articles 53 and 54), and the right to form 'associations of a political nature' (Article 40). This latter constitutional provision formalised an authentic multiparty system whose status was codified in the enabling law of 5 July 1989 (Law 89-11). It is unlikely that the democratic revolutions in Tunisia and Egypt of 2011 will codify freedoms beyond those that Algeria implemented over two decades ago.

In only nine months, from October 1988 to July 1989, the Algerian political system had been fundamentally transformed from a single-party authoritarian state to a multiparty, pluralistic nation of laws. Scores of political parties representing ideological tendencies ranging from

the Marxist left (PAGS, *Parti de l'Avant-Garde Socialiste*) to the Islamist right (FIS or *Front Islamique du Salut*) were officially recognised and registered. Within a year this revolutionary system was given its first electoral test.

The June 1990 municipal and provincial elections resulted in a major defeat for the ruling FLN and a massive victory for the Islamic Salvation Front. It was also a victory for democracy, as both the electoral process and the voting results were allowed to stand. Responding to the defeat, Chadli announced that elections for the National Popular Assembly (*Assemblée Populaire Nationale*) would be held in the first quarter of 1991 (postponed to June 1991 and then again to December 1991). If these elections had been permitted to proceed according to the established constitutional procedures, it seemed unlikely that the democratic process could have been reversed regardless of who came to power.

Algeria's democratic transition was astonishing in its depth, breadth, and speed. After nearly three decades of authoritarian rule by a Leninist-type party (FLN), it seemed that democratic forces were gaining ground in Algeria.⁸ Since the early 1980s but accelerating with incredible speed following the nationwide riots of October 1988, political space for electoral competition had opened up, the degree of political contestation had intensified, and the scope of political discourse in the public domain had widened. Authoritarian political structures were being dismantled, including the much-feared and detested internal security police apparatus DGDS (*Délégation Générale de Documentation et Sûreté*), rules for democratic politics had been established, civic organisations were forming, and entry barriers to organised political competition had been removed. Dozens of political parties were organised and legally recognised.

Democracy derailed

Yet, in relatively short order, the democratic imperative was overtaken by the authoritarian impulse. Democratic politics was aborted and its consolidation forestalled as the reactionary forces within and outside the country coalesced around *le pouvoir*,⁹ the country's military-industrial complex, to usurp Algeria's democratic moment. Before the second round of parliamentary elections were to take place on 16 January 1992, the army high command quickly affirmed its unwillingness to see power transferred to a political party it regarded as a threat to the security and stability of the state. Calling the government's position towards the Islamists 'accommodating,' the army called for Chadli's resignation and the suspension of the scheduled second round of elections. Towards this end, the minister of defence, Major General Khaled Nezzar, led a military *coup d'état* on 11 January 1992, forcing President Benjedid to resign. Martial law was quickly imposed and on 4 March 1992 the FIS was dissolved as a legitimate political party.

The coup initially went almost unchallenged because even the FIS leadership discouraged its followers from provoking clashes with the military. Relative tranquillity prevailed, and the military withdrew its tanks and troops in the following days. The coup makers' sense of confidence was bolstered by the virtual absence of international criticism from any quarter especially from France and the United States, leading more conspiratorially minded analysts to imply a convergence of geostrategic interests between Algiers, Paris, and Washington in preventing an Islamic party from coming to power.

Some Algerians even expressed support for the coup, citing fears of an Islamist government. Some 200,000 demonstrators marched in Algiers protesting the Islamists, and the main workers' union, the General Union of Algerian Workers (UGTA or *Union Générale des Travailleurs Algériens*), in early January threatened to resist any Islamist government.

The period of relative calm, however, was as deceptive as it was brief. Within a month, near civil war occurred as Islamists struck back against the military crackdown. The new government under the leadership of the newly created High Security Council reimposed a state of emergency that lasted until February 2011, suspended all existing political institutions, voided the December 1991 election results, postponed any future elections, and dissolved the communal and municipal assemblies, most of which had been controlled by FIS members since the June 1990 elections. The government also banned all political activity in and around mosques and arrested Islamist activists on charges ranging from possession of firearms to promoting terrorism and conspiracy against the state. Military courts tried and sentenced the activists to lengthy imprisonment or death, without right of appeal and/or full awareness of the charges brought against them. Thousands of demonstrators were taken to makeshift prison camps in the Sahara while hundreds of others were detained for questioning and often tortured. Most of the remaining top FIS leadership was arrested,¹⁰ and thousands of rank-and-file party members were forced underground. Other reversals of the democratisation process quickly followed. The press, which had slowly gained freedom, was quickly reined in, the National People's Assembly was indefinitely suspended, and the omnipresent and ubiquitous *mukhabarat* (state security apparatus) resurfaced.

Despite the military's obvious targeting of the Islamists, the latter's political suppression drew heavy criticism even from FIS rivals. The FLN and the Socialist Forces Front (FFS or *Front des Forces Socialistes*) soon proposed a tactical alliance with the FIS to counter the military government in an effort to preclude the complete abandonment of the democratic process.

The repressive military actions of the government against the Islamists were reminiscent of the military force used by the French colonial authorities against the nationalists during the war of independence (1954–62). Thousands of troops were mobilised and assigned to cities and all major urban centres. Curfews were imposed, removed, and reimposed. Entire neighbourhoods were sealed off because of police sweeps and other searches for accused 'terrorists.' Islamists retaliated by killing military personnel, government officials, and police officers by the hundreds. Some 600 members of the security forces, and hundreds more civilians and Islamist demonstrators, were killed in the first 12 months following the coup. The majority of Algerians, meanwhile, were caught in the middle, distrusting the army as much as the Islamists.

In the following half-decade or so over 200,000 people would die as the bloodshed intensified becoming increasingly indiscriminate and savage on all sides. For their part, the Islamists underwent a rapid and radical transformation as the FIS' armed wing, the Islamic Salvation Army (AIS or *Armée Islamique du Salut*), soon morphed into a bloodthirsty terrorist organisation called the Armed Islamic Group (GIA or *Groupe Islamique Armé*) which itself was superseded by the Salafist Group for Preaching and Combat (GSPC or *Groupe Salafiste pour la Prédication et le Combat*) that in 2007 came under the regional direction of Al Qaida in the Islamic Maghreb (AQMI or *Al Qaeda au Maghreb Islamique*).

The army's strategy of 'out terrorising the terrorists' was no less heinous than that of the Islamists in its conceptualisation and application. To this day, it remains unclear the degree to which the armed forces, whether as rogue units or specially trained death squads, were directly implicated in many of the massacres, assassinations, and killings that were otherwise attributed to the Islamists. What is not in doubt, however, is that an estimated 7000 Algerians 'disappeared' while in the custody of the Algerian authorities, either at police stations or military headquarters, and who remain unaccounted for until today. As democracy disappeared, terrorism emerged with a vengeance. There can be no doubt that 'the Algerian military—the holders of power throughout

most of the conflict—created the earliest conditions for the terrorism...by staging the coup [of 1992] and thwarting the democratic process' (Le Sueur 2010, p. 5).

Yet democracy's short-lived experience in Algeria has other complex causations, not easily attributable to structure, culture, or agency, or to outside actors. In relatively brief historical cycles, Algeria has undergone vast transformations unlike any other nation in the last hundred years – from a settler colony (1830–1954), to a revolutionary movement of national liberation (1954–62), to an authoritarian state (1962–88), to a democratic polity (1989–91), to a killing field (1992–98), and to a liberal autocracy (1999–present). Given these traumatic historical encounters, it should be no surprise that Algeria's political identity remains problematic and its future political path uncertain.

It is under such circumstances that the army high command recruited Abdelaziz Bouteflika to assume the presidency of Algeria in 1999. Having failed to satisfactorily establish a legitimate civilian authority since the coup seven years earlier while hundreds of their countrymen were being slaughtered by terrorists and counter terrorists, the military generals were desperate for a stable political order, one free of democratic trappings. Yet, with or without popular support or democratic legitimacy, the behaviour of the armed forces in the last 50 years has clearly demonstrated that they will not allow the Algerian state and society to collapse. They have left little doubt that they are willing to use whatever force is necessary to ensure the political and territorial integrity of Algeria, even if this includes sacrificing unarmed civilians, real economic change, and many of the democratic freedoms they have allowed to take root since October 1988 in ground scorched by decades of authoritarianism and political oppression. In a country where chaos has always been seen as never far from the surface, the iron fist approach has always had certain popularity. Is the country in 2011, as it was in 1992, dangerously close to reinvoking its dreaded past?

The Bouteflika era

Algeria under the presidency of Abdelaziz Bouteflika, first elected in 1999 and reelected in 2004 and 2009, has experienced alternate phases of political stability and progress followed by extended periods of social and economic unrest reaching crisis proportions on the heels of the democratic revolutions in neighbouring Tunisia and Egypt in early 2011. His most noteworthy achievements in the wake of the deadly civil war that had killed thousands of his fellow citizens was to negotiate a series of amnesty and reconciliation measures intended to encourage Islamic combatants to lay down their arms and renounce terrorism; measures that succeeded in halting the bloodletting without necessarily eliminating all acts of terrorism especially by groups like AQMI who have been completely unresponsive to any kind of material or rational incentives. Al Qaida's branch in North Africa continues to operate in the mountains of eastern Algeria and deep in the Sahara while financing most of its activity from protection rackets in the villages of the Kabyle and from smuggling cigarettes and other goods through the Sahel-Sahara corridor. On the government side, there have been far fewer reports of police and security forces committing arbitrary arrests, torture, disappearances, and extrajudicial killings although the 7000 or so cases of those who disappeared while under police custody in the 1990s remain unresolved. Both the 1999 Law on Civil Concord and 2005 Charter for Peace and National Reconciliation, championed by Bouteflika, achieved their broad objectives of bringing relative peace to the country for which most Algerians were thankful and appreciative.

Similarly his efforts to de-militarise the Algerian state by re-integrating national decision-making powers within the executive office and away from the army also proved laudable

albeit short-lived and ultimately overturned, as discussed below. The civilianisation of his rule was further expanded when Bouteflika forced the resignation of General Mohamed Lamari as chief of staff of the armed forces in August 2004. Lamari was one of the leaders of the military group that ordered the cancellation of the 1991–92 parliamentary elections in which the FIS was about to win a majority of seats, and directed the armed campaign against the Islamist insurgency that erupted following those cancelled elections. Lamari had been resolutely opposed to allowing Islamist groups to participate in Algerian politics.

A year later, in August 2005, General Larbi Belkheir, a retired general and once a stalwart of the army-dominated regime, was relieved of his post as director of Bouteflika's presidential office and given the position of 'extraordinary and plenipotentiary' ambassador to Morocco. General Belkheir was among the hardliners who pushed for President Chadli Benjedid's resignation and the cancellation of the 1991–92 parliamentary elections.

When undertaken, these two high-level resignations came to symbolise the relative decline in the influence of the once all-powerful high military officers that have long dominated Algerian politics. Having retained the position of defence minister for himself, the Algerian president proceeded to replace most of the regional commanders of the armed forces and to promote a new generation of younger officers.

Compromising many of Bouteflika's efforts at political consolidation has been the president's precarious health (b. 1937). He underwent surgery for a 'bleeding ulcer' in late November 2005 and took nearly five weeks to recuperate in a Paris hospital. He returned to Algiers on 31 December 2005 with rumours circulating that the Algerian president was actually under treatment for 'stomach cancer.' On 20 April 2006 the Algerian leader went back to France for a 'post-operative' examination at a military hospital in Val-de-Grâce. Official reports claimed that by summer 2006 Bouteflika was in full recovery. His extremely feeble demeanour and struggling speech when presenting a nation-wide address in April 2011 seem to belie the official view. Given the opaque nature of Algerian politics, the president's uncertain health has raised serious concerns about the succession process and the role the army high command would have in it.

Other measures that President Bouteflika pursued in his second term included reforming the judiciary, amending the retrograde 1984 family code that severely inhibits women's rights, strengthening human rights, and restoring the authority of the state. Clearly many of these reforms constituted positive steps towards strengthening civilian authority and rebuilding state institutions. However, as favourable as some of these efforts appear to have been in promoting liberalisation and democratisation, a stable and a nationally reconstituted political order has not been translated into freedom, liberty, or democracy. Algeria remains an authoritarian state devoid of transparency, the rule of law, an independent judiciary, a fully contested political pluralism, freedom of expression, press, and the media, and an institutionalised separation of civilian and military rule as the latter continues to intervene in government decision-making and is unaccountable to elected civilian leaders. The confirming evidence for such a view was provided in 2008 when the National Assembly easily passed a series of constitutional amendments intended to prolong the Bouteflika presidency beyond its legal limits of two consecutive five-year terms thus allowing the president to run successfully for a third term in 2009.

With both his physical health and political stature increasingly being questioned by a restless mass public, social and economic conditions during the Bouteflika era remained highly volatile. Indeed, while state authority seemed to be regaining its foothold, civil society was experiencing severe challenges that would ultimately test the very legitimacy of the regime and even question the future of the Algerian political order as currently constituted.

The state-society divide – as wide as ever

The gap between state and society in Algeria remains as wide as ever. While the state's repressive capacity, especially its security apparatus, has expanded significantly in recent years aided by the surplus flow of hydrocarbon-generated revenues and the military assistance provided by powerful outside actors like the United States in its pursuit of the war on terrorism, civil society has suffered repeated reversals in the areas of socioeconomic development, quality of life, and political opportunities. These latter conditions have obtained despite the significant reduction in the violence associated with the decade-long civil war.

Population pressures have long bedevilled Algeria's social development as the country's birth rates were among the highest in the world in the 1970s and 1980s. More recent population data, however, reveal a long-term slowdown in population growth as the result of improved access to contraceptives and the implementation of family planning policies. Yet as Algeria is about to make its demographic transition from an average annual population growth rate of 3.06% in the preceding 10 years to 1.17% in 2011, its extremely youthful population (40% of Algerians are under 15 and 70% are under 30) will apply severe demographic pressures on the economy and society over the next two decades as those born in the 1970s and 1980s reach working age.

Adding to the problems of an excessively youthful society, is the geographic maldistribution of Algeria's population. Over 90% of Algerians live in the north of the country, where massive migration from the countryside since 1962 has contributed to the current overcrowding in such large cities as Algiers, Oran, and Constantine. The percentage of the urban population has increased from 31% in 1966 to 65% in 2009. While birth rates have dropped noticeably in the last 10 years, the legacy of past population growth policies in which 'birth spacing' substituted for 'birth control,' is a youthful, urbanised population, with a significant percentage having only limited opportunities within the formal sector of the economy. As many have been forced to look for work in the parallel *trabendo* (from 'contrabande,' the French word for smuggling) economy, this has fuelled widespread popular discontent leading many urban youth to seek alternatives in political Islam.

Pressures to open up the Algerian economy have existed for nearly two decades following the nation-wide riots of October 1988 after which 'liberalisation' substituted for 'socialism' as the regime's new political economy mantra. Yet, despite repeated promises from a variety of different political leaders, little substantive reform has been actually legislated or promulgated. Paradoxically,

Algeria has never been better placed in macro economic terms, as it is today, to promote the structural and fiscal reforms that the IMF and others have recommended for years. Even at the height of the violence in the middle 1990s in northern Algeria, the oil and gas sector of the southern Sahara continued to attract capital from multinational oil companies, compensating for the dearth of local and foreign direct investment in other sectors. (International Crisis Group 2001, p. i)

Because the Saharan oil and gas fields are far from populated centres, 'exploration and exploitation deals have all along been sheltered from the conflict, operating as if they were offshore. For their part, European customers have increased their demand for Algerian gas in the past decade' (International Crisis Group 2001, p. i), making this as much a strategic resource for such European neighbours as Spain, Portugal, Italy, and France as for Algeria's political-military leadership.

However, 'the apparently positive macro economic picture disguises a much grimmer micro economic reality.'¹¹ In contrast to the booming hydrocarbon sector (the price of a barrel of oil reached over \$70 in mid 2006 and over \$100 in early 2011), which today generates 97% of

foreign export earnings, the domestic economy is stagnating under a lack of both private and public sector investment' (*Jeune Afrique* 29 December 2010), leading to official unemployment of nearly 30% in 2002, 24% in 2003, 17.7% in 2004, and 21% in 2009, of which over 70% are under the age of 30. Unofficial estimates put current unemployment rate at above 30%.

Under the influence of reform plans promoted by the IMF, World Bank, and the European Union, thousands of workers have been laid off as a consequence of restructuring industries for privatization. Yet few investors have taken over inefficient heavy industry plants running at around 40% of capacity for more than a decade. Social investment in housing, welfare, infrastructure, and transport has been neglected in favor of importing basic goods. The access of newcomers to the market is severely restricted despite agreements with international financial institutions and the EU that full trade liberalization will be implemented by 2012. (*Jeune Afrique* 29 December 2010)

Despite over two decades of economic reform, Algeria has yet to make the transition to a stable market economy. The state maintains a leading role in the economy as an employer, investor, and regulator. Although the private sector has significantly increased its contribution to gross domestic product, particularly in the retail, construction, and transportation sectors, it still accounts for less than one-fourth of total industrial production outside the hydrocarbon sector. Bureaucratic regulations pose a major impediment to the efficiency of the market, and laws governing economic activities are piecemeal, poorly implemented, and largely inconsistent with the demands of a market economy.

Bureaucratic red tape permeates all aspects of business activity in the country. Bureaucracy's role as a 'sponge' to soak up unemployment means that it is heavily over-staffed. The bureaucracy is also deeply influenced by political interests with various departments often housing the supporters of different 'strong men,' and is infused with clan and tribal factionalism, which in turn undermines notions of promotion based on merit. It is widely believed, for example, that military officers have abused their authority by controlling a wide range of economic activities. They are accused of forming alliances with civilians to control the importing and distribution of foodstuffs and medicine, to siphon off the output of public enterprises, and to steal public funds. The phrase 'political-bureaucratic mafia' has often been used to describe government officials and army officers who utilise their public offices for private economic gain. Such individuals are accused of using sanitary inspections, customs regulations, and their influence with magistrates to harass private companies that compete with their clientelist economic networks creating an environment of widespread corruption.

Corruption is pervasive in Algeria constituting the most serious barrier to fundamental economic reform. Algeria scored 2.9 out of 10, ranking 105th out of 159 countries in Transparency International's 2010 Corruption Perceptions Index, putting it just behind Egypt, Mexico, and Zambia, and placing it among the five most corrupt countries in the Middle East and North Africa (MENA).¹² In the absence of effective, market-based financial intermediation, government spending – either on civil service jobs or on large infrastructure projects – is the main mechanism for distributing hydrocarbons wealth around the economy. This opens up considerable opportunities for kickbacks and embezzlement, particularly when parliamentary oversight is negligible at best. Most independent observers remain sceptical about the regime's willingness to root out corruption among senior officials particularly members of the military officer corps and the ruling FLN. More generally, anti-corruption drives, which tend to tackle the symptoms rather than the root causes of bureaucratic shortcomings and often serve political ends, are liable to be used as an alternative to more challenging structural reform. A dramatic recent example of a politically motivated anti-corruption drive directed against the executive staff of Sonatrach is provided in some detail below.

The numerous qualitative indicators measuring Algeria's poor record of economic, social, and political performance find parallel results in several quantitative indexes. The 2010 Revenue Watch Index, for example, an annual product of the Revenue Watch Institute and Transparency International that measures and compares 41 resource-rich countries that are the top producers of petroleum, gold, copper, and diamonds, ranks Algeria at number 38 with a score of 22.8 (out of 100), placing in the lowest of three categories ('scant revenue transparency') and just above the Democratic Republic of the Congo, Equatorial Guinea, and Turkmenistan (Revenue Watch Institute and Transparency International 2010, p. 3).

The Global Competitiveness Index published in *The Africa Competitiveness Report* for 2009 (World Economic Forum 2009), a collaborative project of the World Economic Forum, the World Bank, and the African Development Bank, ranks Algeria 99th out of 134 countries worldwide and last among the five North African countries behind Tunisia (36th), Morocco (73rd), Egypt (81st), and Libya (91st). Algeria's global ranking in the 12 categories used to derive the competitiveness index is abysmal except for the macroeconomic stability pillar in which it ranks fifth overall.¹³ The wide gap between a high performing macro-economy and dismal micro-economy is confirmed by both qualitative and quantitative evidence.

This macro-micro gap is translatable into another quantifiable indicator that measures people's happiness, a category in which Algeria performs poorly. According to the 2009 World Database of Happiness (World Database of Happiness 2009), Algeria ranks 5.2 out of a possible score of 10, outdistanced by other Arab countries like Tunisia, Mauritania, United Arab Emirates, Kuwait, and Saudi Arabia. According to this survey, Algeria respondents indicated that only 37 years of their expected life span of 71 are considered to be 'years of happy living.' The assessment of these findings by a respected and independent Algerian daily newspaper best captures their importance. 'En dépit des richesses et des milliards accumulés dans les réserves, la qualité de la vie est toujours aux abonnés absents' (*El Watan* 2 November 2010).

The above pessimism is confirmed by additional statistical evidence gathered in Algeria by its National Center for Population and Development Studies and Analysis (CENEAP) in its most recent study (2009) on Algerian youth. According to this report, 60% of its sample complains about their uncertain future while 73% criticise their current status. More tellingly, one out of three of respondents dream of living overseas, 58% 'turn their back on sports,' and 90% indicate 'no interest in associational life or any political party' (*Jeune Afrique* 29 December 2010).

Possibly a more objective set of indicators provided by the Economist Intelligence Unit's quality of life index ranks Algeria 75th out of 160 countries assessed with a score of 5.59 out of 10 in 2009. While comparable to its non-oil producing North African neighbours (Morocco, 5.57; Egypt, 5.61; Tunisia, 5.6), Algeria ranks well below those of the oil-rich states of the Gulf Cooperation Council (GCC), such as Saudi Arabia with 6.45 and the UAE with 7.15 (Economist Intelligence Unit December 2009, pp. 14–15).

In the more explicit political category, Algeria again performs poorly as recorded, for example, in Freedom House's annual *Freedom in the World* report for 2010. Of the three categories in which a country can be ranked – Free, Partly Free, Not Free – Algeria has consistently been categorised as 'not free' ever since the coup of 1992. In both the Political Rights and Civil Liberties categories, Algeria scored 6 and 5, respectively where '1' represents the highest guarantees and '7' the lowest (Freedom House 2010).

Finally, the annual US State Department report on human rights in Algeria provides a bleak picture, one that underlines Algeria's continuing failure to address the many problems in society, the polity, and the economy. In its report published in March 2011, the State Department summarised the situation in Algeria in the following way.

Principal human rights problems [in 2010] included restrictions on freedom of assembly and association, which significantly impaired political party activities and limited citizens' ability to change the government peacefully through elections. There were reports of arbitrary killings. Failures to account for persons who disappeared in the 1990s and to address the demands of victims' families remained problematic. There were reports of official impunity, overuse of pre-trial detention, poor prison conditions, abuse of prisoners, and lack of judicial independence. Additionally, widespread corruption accompanied reports of limited government transparency. Authorities used security grounds to constrain freedom of expression and movement. Women faced violence and discrimination, and the government maintained restrictions on workers' rights (U.S. Department of State 2010, p. 1).

How has the dangerously widening gap in state-society relations, one that led to an overthrow of the Tunisian and Egyptian regimes in early 2011 and continues to challenge the very survival of governments in Libya, Syria, and Yemen, impacted on Algeria's political integrity, stability, and legitimacy? A case study of how 'the axis of evil' operates provides an important insight, if not a complete explanation, into this puzzle.

The 'Axis of Evil': oil, army, and the state

The study of Algeria's political economy has long established the intimate and enduring relationship between Algeria's national oil and gas company, Sonatrach, and the government of Algeria (Entelis 1999, pp. 9–27). Indeed, any understanding of the state-society dialectic that currently informs Algeria's political dynamics requires an appreciation of the relationship between the military-industrial complex and its wealth-producing instrument, Sonatrach. Since its founding in 1963 until today, Sonatrach has remained enmeshed in a web of political, economic, and administrative relationships with the Algerian state, while being systematically exploited by different government circles for special interests. This being the case, 'Sonatrach remains the locus of some of the most virulent political struggles, at the same time as it resists reform' (Lowi 2009, p. 179).

Beginning in January 2010 and continuing to the present, a series of dramatic events at the highest levels of Algeria's political and economic structures involving corruption charges, judicial proceedings, dismissal of high-level executives, reshuffling of cabinet portfolios, shifting of key government personnel, the assassination of a security chief, and the continuing decline in the physical and political health of Algeria's president, Abdelaziz Bouteflika, has reconfirmed and reinforced the deep ties and linkages between politics and economics in the country, with Sonatrach representing the instrumentalisation of Algeria's political economy. In this section, I explain and critically assess the key components of these dramatic events and how they reveal the inseparable links between the Algerian State, economy, the military/security apparatus, and Sonatrach. In so doing, I expose the Achilles' heel of Algeria's political future and the increasing challenges posed by a newly empowered civil society to that future.

To fully understand and appreciate the complicated nexus between Sonatrach, the State, and the *le pouvoir* and the circumstances that allowed the oil company giant to overstep its boundaries and ultimately be slapped down by the military, one needs to understand the origin of this nexus.

Sonatrach, first among unequals

The strength of Algeria's State Owned Enterprises (SOEs) cannot be underestimated as they control large projects and important monopolies and enjoy huge subsidies from the state.

Most revealingly, SOE directors are appointed by presidential decree allowing them considerable autonomy in their own spheres of economic activity (Yefsah 1990, pp. 197–198). Embedded in complex patron-client networks of the public administration, these directors are involved in the exchange of favours and other forms of social accommodation (Liabès 1989, p. 219). Among all these SOEs, Sonatrach maintains a privileged position because of the political and economic importance of hydrocarbon-generated revenues for state development (Lowi 2009, p. 91).

The interlocking character of Sonatrach's relationship with the State was established early on in the 1970s when Belaid Abdesselam was running the Ministry of Energy from 1965 to 1977 under the presidency of Houari Boumedienne. Since Belaid had been Sonatrach's first director and now was running the ministry that oversaw the national oil and gas company, it was no surprise that a symbiotic relationship developed between Belaid and Sid Ahmed Ghozali, whom Belaid had appointed as his designated successor to direct Sonatrach, with both men free to run their organisations as they saw fit. Typically Sonatrach circumvented a regulation that required SOEs to request funds from the Planning Ministry for spending outside the country. Instead, Sonatrach arranged with the Ministry of Energy, that is with Belaid, to simply leave funds outside the country for use there. For its part, Sonatrach served as a virtual bank for the Ministry of Energy, as Belaid would dip into Sonatrach's purse whenever he needed funds that were denied it by the Ministry of Finance; a not uncommon situation since there were regular internal struggles between the two ministries (Lowi 2009, p. 91).

Thus, from the early 1970s, Sonatrach

was something of a sacred cow in the Algerian political economy, and those who managed it were allowed to become (or at least to behave) virtually untouchable. It was from this time that the military-backed regime relied increasingly for its incumbency upon rents generated from oil and gas production, overseen by Sonatrach. (Lowi 2009, p. 91)

The way oil rents have been utilised by Algerian authorities has favoured the proliferation of rent-seeking opportunities, the institutionalisation of patronage, and the consolidation of bureaucratic-authoritarianism. Overall, oil rents have become a means to satisfy appetites and maintain the regime in power.

Corruption charges against Sonatrach officials

In early January 2010 there was a political upheaval of national proportions affecting the highest levels of Sonatrach senior management team. The president of Sonatrach, Mohammed Meziane, and three of the company's four vice presidents, were sacked from their positions, the result of a public corruption investigation initiated by the *Département du Renseignement et de la Sécurité* (DRS, although still widely referred to by its previous incarnation, *la Sécurité Militaire* or SM), Algeria's top security and intelligence agency headed by the influential General Mohammed 'Toufic' Mediène. The charges of alleged public corruption arose from the direct award of service contracts in the pipeline transportation division to two international consulting and security firms, resulting in charges of failing to comply with public procurement requirements and related charges (Economist Intelligence Unit March 2010, p. 17). The Algerian authorities have also brought charges of breach of the public procurement laws and misappropriation of public funds against senior managers of certain Sonatrach downstream subsidiaries.

Given the direct relationship between Sonatrach's Meziane and his boss, Minister of Energy, Mines and Industry, Chakib Khelil, it was not long after the scandal broke out that Khelil himself

was indirectly implicated, although not charged, and removed from his important position in a government reshuffle. Clearly the Sonatrach case affected Khelil's standing given his personal sponsorship of the company's most senior figures and his ultimate responsibility for energy policy. The major shifts in key cabinet appointments followed another significant event with major political consequences, namely the assassination of Ali Tounsi, the head of the national police or *Direction Générale de la Sûreté Nationale (DGSN)*, in late February 2010.¹⁴ For many analysts of the Algerian political scene, however opaque and inscrutable its functioning, all these developments pointed to a power struggle at the highest levels of state authority involving the three pillars of the Algerian state – *le pouvoir* or the military and intelligence agency, Sonatrach, representing the economic engine of the country, and the ruling elite in the governing party (*Front de Libération National* or FLN).

The primacy of the DRS

Although the army high command was instrumental in securing the Algerian presidency for Abdelaziz Bouteflika in 1999, since that time and following two successful back-to-back presidential re-elections in 2004 and 2009, Bouteflika had succeeded in gradually re-asserting his authority over his military patrons. Through a combination of forced retirements, ambassadorial assignments, and the age-related deaths of many key high army officers, he was able to concentrate ultimate power within the executive office with him at its head. This evident attempt at shifting the balance of power away from *le pouvoir* in favour of civilian authority did not sit well with the country's ultimate power broker, the aging but still powerful head of the DRS, General Mediène.¹⁵

The enormous power of the intelligence services 'has long been the open secret of Algerian political life' (Roberts 2007, p. 12). Although other power centres in the country have sought to check the DRS's privileged position,

what is certain is that the political power of the intelligence services since the onset of the civil war following the military coup d'état of January 1992 has been greater than at any previous point in the history of independent Algeria. Since 1990, Algeria has had five heads of state (Chadli, Boudiaf, Kafi, Zeroual, and Bouteflika), twelve heads of government¹⁶, and four defense ministers, but throughout this entire period the DRS has been commanded by General Mediène. (Roberts 2007, p. 12)

Any understanding of the Sonatrach scandal and Khelil's political displacement must begin with an appreciation of the central role that the DRS has played and continues to play in directing the Algerian ship of state. In unravelling the intricate set of relationships between these apparently diverse events and set of actors, the centrality of Sonatrach's identity, purpose, and function within the Algerian State is revealed once again.

Assassination of Tounsi and its political fallout

According to official reports, a disgruntled subordinate killed Ali Tounsi, the national police chief, in his office in an act of madness during an argument.¹⁷ Tounsi was no mere *flic* (cop), but a key figure in the government security apparatus having been head of the DGSN for over 10 years. Under the direction of President Bouteflika, Tounsi was instrumental in modernising the national police force, overseeing a rapid expansion in personnel, and constructing dozens of new police stations across the country as part of the government's anti-terrorism

program (Economist Intelligence Unit March 2010, p. 11). According to many analysts, Bouteflika's strong support for Tounsi's efforts were part of a larger strategy of the President to create a powerful security force loyal to the presidency and independent of the DRS, 'the nexus of power for the military old guard and its chief Mohammed Mediène' (Economist Intelligence Unit March 2010, p. 11). Although Tounsi himself was once a colonel in the army, he had been a civilian for many years. Thus some analysts 'see a connection between the DRS investigation of Sonatrach officials close to Bouteflika and the murder of the police chief' (Economist Intelligence Unit March 2010, p. 11). Regardless of the circumstances of Tounsi's killing, his death has impacted Bouteflika's power base. While difficult to confirm by facts on the ground or independent sources of information, there is no doubt that a struggle for power is taking place among competing elites within the executive and security branches of government with Sonatrach at the core of that struggle. Tounsi's replacement, Major-General Abdelghani Hamel, is himself a military man, giving further support to the growing influence of *le pouvoir* on civilian politics.¹⁸

Power struggles at the top with Sonatrach as the prize

The scandal that has rocked Sonatrach since January 2010, and that has led to the removal of key decision-makers in the energy field like Meziane and Khelil, is but part of a broader and ongoing struggle between different factions of the ruling elite for political dominance and control over the 'goose that lays the golden eggs,' that is, Sonatrach. The evidence for this interpretation rests on the all-powerful position of the DRS and its hugely influential Mediène in effecting Government decision-making. As discussed above, Bouteflika's attempt to establish an independent power base separate from, or directly in opposition to, the DRS, has led to a serious backlash against the Algerian president targeting at least one of his key bases of power – Sonatrach.

The corruption charges made against Meziane,¹⁹ a personal appointee of Khelil, who in turn is a close and long-standing political ally of Bouteflika, are intended to undermine the president's effort at establishing an independent power base. Regional politics being what they are, it is no coincidence that Khelil and the three of the four vice presidents of Sonatrach who were removed from their positions are all from the western part of Algeria, Bouteflika's home base.²⁰ Similarly, the one vice president of the company who was retained and in fact appointed interim president of Sonatrach, Abdelhafid Feghouli, is related to another former high-level army officer and close colleague of Mediène, Larbi Belkheir, who was himself sent off to Rabat as Algerian ambassador in 2005, to the consternation of the military old guard of which he was a key member. Belkheir was instrumental in bringing Bouteflika to power in 1999 but was marginalised by the Algerian president following Bouteflika's successful re-election to the presidency in 2004 as part of Bouteflika's effort at minimising the role of *le pouvoir* while expanding that of executive authority.²¹ According to this interpretation, therefore, the recent upheavals within Sonatrach and the personnel reshufflings in the energy ministry are all related to shifts in the country's balance of power.

The timing of these events is also related to President Bouteflika's physical health. Since 2005 he has suffered a series of debilitating illnesses, some forcing him to travel to France for extensive hospitalisation and recuperation. Bouteflika turned 74 in March 2011 and appears extremely weak and feeble. In observing him at official events as recently as April 2011, it was clear that he was having great difficulty in signing official documents, his gait seemed unsteady, and his overall appearance was one of weakness and ill-health. Given the tumultuous status of Algerian

society and economy, and the many challenges the country faces in order to overcome years of mismanagement, corruption, and neglect, the need for steady, secure, and legitimate leadership seems more necessary now than ever, a point of view that *le pouvoir* is advancing, however self-serving it may be.²²

Cabinet reshuffle: resource nationalists versus economic reformers

The full political implications of the corruption scandal that ultimately led to the indictment of 14 men, the majority of them now-former senior officials of Sonatrach, for their involvement in the direct awarding of contracts to international service companies, was played out with the cabinet reshuffle announced by President Bouteflika at the end of May 2010. Three key members of Bouteflika's government associated with reformist economic policies in the energy and other high value sectors were removed from their influential cabinet positions and replaced by individuals identified more closely with 'resource nationalists,' old line political conservatives, and *le pouvoir*.²³

The removal of Chakib Khelil from the energy ministry, Abdelhamid Temmar from the investment promotion ministry, and Nourredine Zerhouni from the interior ministry constitutes a blow to Bouteflika's efforts to redirect the Algerian economy and polity away from its overly authoritarian and centralised past into a more liberal, pluralistic future. While this transition from a liberal to a more conservative political economy orientation has been long coming, the confluence of the dramatic events described above, concluding with new cabinet appointments, virtually assures that hard line resource nationalists will be determining the direction of the national economy, including the legal, administrative, and financial status of Sonatrach, in the immediate and intermediate future.

These Governmental changes are significant because all three of the men removed from their high profile positions were professionally, politically, and personally close to the Algerian president. Khelil and Temmar, for example, were central to Bouteflika's efforts early on in his second term to open up the country to increased foreign investment, especially in the energy sector. These efforts were consistently being opposed by *le pouvoir*. For his part, as interior minister, Zerhouni was instrumental in trying to exercise the full powers of the presidency. His current status as 'deputy prime minister,' a new and undefined position behind the increasingly powerful premier, Ahmed Ouyahia, pales in importance to that of the ministry of interior where he had control of the DGSN, the police agency that had been significantly strengthened ostensibly to reinforce the 'war on terror,' but also as a means of counter-balancing the power of *le pouvoir* – the army and the DRS.²⁴

The changes in personnel reflect a broader policy shift in key areas of the economy, especially the energy sector. Both Khelil and Temmar came to represent the liberal moment in recent Algerian economic history, with the former tasked with the liberalisation of the hydrocarbons industry in which foreign companies were to be allowed majority ownership in upstream oil and gas licenses and related downstream industry. For his part, Temmar was given responsibility for implementing a privatisation policy intended to sell off more than 1000 State Owned Enterprises (SOEs). But in the past five years, the two ministers have been undermined by an increasingly conservative Government strategy and in any case had long since ceased to promote market-oriented reforms. Several examples of such policy reversals can be cited.

Key elements of Khelil's landmark hydrocarbons law in 2005 were reversed a year later. A series of new government regulations introduced in 2008–2009 has made the investment environment

increasingly tough for foreign companies, limiting them to a minority stake in local joint ventures, imposing restrictions on the repatriation of capital, and enforcing the cession of a 30% stake in Algeria-based foreign companies that import goods for resale to local shareholders. (Economist Intelligence Unit September 2010, p. 26)

Khelil's dismissal: the state-Sonatrach nexus revealed and reaffirmed

Algeria's leading independent French language daily newspaper, *El Watan* ('The Nation'), in reporting about the Sonatrach scandal and Khelil's role in it, wrote that 'when one speaks about Sonatrach, one undoubtedly speaks about Chakib Khelil' (*El Watan* 17 January 2010). In a widely accepted point of view, no decision of any consequence involving Sonatrach was ever taken without Khelil's knowledge or direct participation given the fact that by statute the chief executive officer of the company reports directly to the energy minister. Thus what began as charges of alleged corruption directed against the head of Sonatrach and three of his vice presidents, quickly turned to questions about Khelil's determinative role in overseeing the country's energy ministry,²⁵ his close ties to Bouteflika, and the manner in which he was guiding the hydrocarbons sector towards a more market-friendly direction, a process he had initiated with zeal and determination in the early 2000s, however ultimately unsuccessful. Press criticisms of Khelil reflected an underlying discontent with the way in which the country's oil and gas revenues were being managed. The multitude of bureaucratic, technical, and financial problems associated with the hydrocarbon industry had less to do with the global financial crisis or market fluctuations than with the bureaucratic decision-making processes within Sonatrach and the Government's continued politicisation of the oil and gas sector. The Sonatrach scandal brought home to the larger public the way in which decisions are made by a few executives in the company who are themselves answerable to the energy ministry, and ultimately to President Bouteflika. As one well-informed economic digest of the Middle East concluded: 'Sonatrach remains first and foremost a tool of the state' (Middle East Economic Digest 9 April 2010, p. 3).

Enter Youcef Yousfi: victory of the resource nationalists and Le Pouvoir

After several months of political uncertainty following the turbulent events of January and February 2010 including the ongoing judicial proceedings against Sonatrach senior executives, the Algerian president announced a cabinet reshuffle that saw Khelil's ouster as Minister of Energy to be replaced by Youcef Yousfi, a hard line resource nationalist with previous experience as head of Sonatrach, president of the Organisation of Petroleum Exporting Countries, and Minister of Energy under the presidency of Liamine Zeroual (1994–99).²⁶

Yousfi's political economy orientation differs markedly from his predecessor, reflecting more closely the resource nationalism espoused by FLN hard liners and old-line conservatives in the military and intelligence services. He has made clear from the outset that he intends 'to reassert full internal control of Sonatrach' (*El Watan* 24 July 2010) with the goal of imposing stability and order in the company. In a speech before the country's National Assembly (*Assemblée Populaire Nationale* or ANP), Yousfi emphasised 'that the strategy for the energy sector has always remained the same: the re-enforcement of the country's energy potential, the maximum utilisation of all the energy resources for use by the country, and the management of these resources in a rational manner' (*El Watan* 24 July 2010). In a speech several months later, the new energy minister insisted that Algeria 'was going to intensify exploration in order to increase hydro-

carbon reserves, guarantee sufficient revenues for development, and to ensure the energy security of the country for the very long term' (Sahar 29 November 2010). Completely absent in these and other speeches by Yousfi has been the language of free market capitalism, including the need for foreign investment and economic reforms.

The selection of the new Sonatrach leadership team announced in early May 2010 reflected an equally radical shift in policy and ideological orientation from the previous administration. The Government appointed Nouredine Cherouati as the new president of Sonatrach, Said Sahnoun as the vice-president of upstream operations, Abdelkader Benchouia as downstream vice-president, and Allaoua Saidani as vice-president for oil and gas transportation.²⁷ The distinguishing feature of Sonatrach's new executive board is its complete independence from Chakib Khelil's influence, a striking departure from the previous situation where Meziane was a personal appointee of Khelil. That both men along with the three indicted former vice-presidents of the company originated from western Algeria highlighted the weakened status of the Bouteflika 'clan' and the emergence of a 'counter-clan' whose city of origin is Batna in the east of the country. More significantly both Yousfi and Cherouati are considered close to *le pouvoir* (Associated Press 31 May 2010).

Implications

The ultimate fall out from the dramatic events analysed above is that of an Algerian political economy strategy increasingly in the hands of resource nationalists with the critical support of *le pouvoir*, in which control of Sonatrach is essential. To be sure, Bouteflika's frequent oscillations between reformism and nationalism had led to confusion and uncertainty among foreign investors and companies. Other challenges and crises within Algeria's broader political economy also fuelled discontent and dissatisfaction within various quarters of government, the army, and the economy. Khelil's hydrocarbon policies, for example, 'involving the promotion of the expansion of Algeria's oil and gas exports and the rapid development of downstream infrastructure' (Economist Intelligence Unit September 2010, p. 26), frequently clashed with the increasingly protectionist outlook of the government. Furthermore, the visceral opposition of Algeria's hardliners in the government and the military to Khelil's policies, the evident flaws in its implementation, dwindling oil and gas reserves that are increasingly difficult to access, an oversupplied international gas market, and more than US\$150 billion in foreign currency reserves, 'all mean that Algeria is much less motivated to promote the expansion of its oil business than it was a decade ago' (Economist Intelligence Unit September 2010, p. 26).

If there is any doubt about the current direction of Algeria's hydrocarbon strategy as it applies to energy use and the status of Sonatrach, it was put to rest by Youcef Yousfi. Using language associated with the resource nationalism of Algeria's conservatives, the new energy minister said in a meeting with senior Sonatrach officials on 30 May 2010 'that he wants the interests of the country to be "absolute, supreme" in guiding Algeria's hydrocarbons policy' (Economist Intelligence Unit September 2010, p. 27).

Transition processes and prospects

Algeria stands at a crucial crossroads in its evolution towards a more stable, regularised, and democratic polity. The Islamist insurgency is now reduced to the Salifiyya's jihadist wing that has little to no representation within both mainstream and oppositional groupings. Insurgency-related deaths are sporadic and relatively few compared to only a few years ago. Despite the controversies surrounding Bouteflika's amnesty and reconciliation projects, these

efforts have received overwhelming public approval in two back-to-back referenda. Although participation rates were at historically low levels, both the parliamentary elections of 2002 and the presidential elections of 2004 and 2009 were conducted in a relatively corrupt-free environment with few instances of irregularities or electoral manipulation. The economy is experiencing a surge in growth as hydrocarbon prices have remained at record-level highs offsetting the continued inefficiencies, mismanagement, and corruption in the public and private sectors of the non-oil economy. While Berber discontent continues to fester, the Kabyle region is relatively peaceful although ethnically defined forces persist in their boycott of national-level politics. Most importantly, the army high command within *le pouvoir*, especially the core group of hardliners who led the 1992 *coup d'état* and pursued an eradicationist policy against the Islamist insurgency that cost the lives of over 200,000 people, have receded from the overt political scene although their backdoor influence remains indeterminate. The country's constitutional structures have evolved into recognisable attributes of an institutionalised political order although the concept of the separation of powers remains more an abstraction than a reality. Civil society remains vibrant and dynamic however much the state seeks to contain if not control its autonomy. The once out-of-control high birth rates are now being reversed although Algerian cities remain overpopulated with large numbers of unemployed youth. In its foreign relations, the country has reestablished itself as an important Third-World actor invited to participate in major international gatherings consistent with its status as a critical oil and gas exporter to Europe and a military hegemon within the North African region.

However, as powers have slowly but certainly been concentrated in the office of the president, new concerns have arisen about the sincerity and determination of Algeria's decision-makers, both civilian and military, to pursue a full transition to democracy. Although doubts have been raised recently about his health, it appears that Bouteflika is following in the footsteps of Russian president Vladimir Putin in which constitutional structures are being adjusted and modified to serve the interests of an increasingly authoritarian political leadership. The most disturbing evidence of this trend was the passage of a constitutional amendment in 2008 extending the president's term from five to seven years as well as allowing him to run for a third consecutive term thus emulating the authoritarian pattern entrenched in neighbouring Tunisia under Ben Ali and Egypt under Mubarak until their overthrow.

Probably the greatest challenge to Algeria's democratic transition is the uncertain status of the rule of law and the guarantee of civil liberties. Despite a significant decrease in the violence associated with the civil war, human rights abuses continue to be committed by both insurgents and incumbents.²⁸ Armed opposition groups and criminal gangs continue to operate in parts of the country, and bombings, banditry, assassinations of police officers, and random killings of civilians still take place. State-armed militias continue to carry out, with little to no supervision by the authorities, counterinsurgency operations and law-enforcement activities. International human rights organisations monitoring the Algerian situation continue to report instances where high-ranking military, police, and security officials condone systematic torture and extrajudicial killings. Although the state has not executed anyone since 1994 and promises soon to abolish capital punishment altogether, the reality of the situation on the ground is one in which 'enemies of the state' are made to 'disappear' after being convened to the local police station for 'routine' questioning. Since 1992, there have been between 6000 and 7000 Algerians who have 'disappeared' while under police custody with their status still unresolved by early 2011.

Preventive detention is still widely being practiced. The penal code empowers authorities to detain suspects for up to 48 hours before arraignment by an examining magistrate. Suspected terrorists or subversives can be held in pre-arraignment detention up to 12 days before coming to

court, and those accused of more serious crimes can legally be held from 20 to 60 months in preventive detention while a judge reviews their case. According to the justice minister, there were approximately 4000 people being held in long-term preventive detention in 2009. Independent observers believe at least twice that number are so incarcerated. For its part, the *Sécurité Militaire* (DRS) that serves as the *mukhabarat* (state security apparatus) within the defence ministry, has long been accused of carrying out many acts of torture in its detention centres. Agents of the SM function as law-enforcing officers, often arresting citizens without warrants or identification, holding detainees in secret locations, and holding suspects longer than the legal limit. With no apparent accountability to the judiciary or civilian authorities, not a single DRS agent has ever been brought to justice for human rights violations perpetrated in the line of duty.

The state of emergency first put into place after the 1992 coup remained in effect until 24 February 2011, when it was finally lifted under pressure from Algerian civil society demonstrators emboldened by the historic political uprisings taking place in Tunisia and Egypt. Martial law regulations had required political parties and organisations to seek formal authorisation to assemble and stage demonstrations. Despite the lifting of martial law, authorities regularly refuse to permit demonstrations or meetings, often without offering justification. There are numerous reports of gendarmes, riot-control police, and security forces using excessive force to break up both legal and unauthorised demonstrations.

Algeria does not practice a separation of powers nor operate under a system of constitutional checks and balances. The country's judiciary, for example, is not independent from the executive branch. The lack of impartiality and independence of judicial authorities, a key foundation of any democratically constituted political order, is widely criticised both within and outside Algeria. The judiciary's serious deficiencies including its blatant politicisation weaken the rule of law. Public perception of corruption and bribery in the judicial system is widespread. Since the country's legislative bodies are themselves politically subordinated to the executive, there are no effective legislative or judicial checks on presidential authority. Simply put, until the current regime resolves fundamental constitutional questions – the armed forces' political role, presidential prerogatives, judicial independence, and the problem of establishing law-bound government – its claim that Algeria's democratic transition is moving forward on a step-by-step basis will remain hollow. As one well-informed analyst has observed, 'only if the elected representatives of the people become the source of government mandates can the demilitarization of the Algerian political system ever take place' (Roberts 2007, p. 19).

It is in this context of institutional paralysis at home and political upheavals in the region that Algeria faces its most current and possibly greatest challenge in its post-independence history.

The Arab Democratic Intifadas: Is Algeria next?

The uprisings that swept away the authoritarian regimes in Tunisia and Egypt in early 2011 did not so much inspire similar acts in Algeria as intensify and extend long-festered socioeconomic and political grievances that found almost daily expression in street demonstrations, political protests, and labour strikes. To be sure, the conditions that led to the uprisings in other parts of North Africa including those in Libya – massive youth unemployment, legions of underemployed and overeducated young people, an atmosphere of political suffocation, and widespread corruption at the highest levels of power – have long existed in Algeria, as discussed above. Yet these system challenges have rarely threatened the regime's existence as long as *le pouvoir* remained united in its determination to safeguard the state's coercive, economic, and technocratic assets. What cannot yet be determined, however, is the extent to which the dramatically

altered regional environment, in which the state-society equilibrium has shifted significantly in favour of democratic forces within civil society and at the expense of regime legitimacy, will strain the already fragile fabric of Algerian politics. Clearly pressures have been building up since the beginning of 2011 as wave after wave of protests, demonstrations, strikes, and other forms of public contestation have swept over the country almost on a daily basis.

In early January 2011 disturbances over rising food prices and chronic unemployment spiralled out from Algiers with youths setting government buildings on fire and shouting, 'bring us sugar!' Security forces were brought in to block off streets in the working class neighbourhoods of Bab el Oued and the Casbah as areas outside the capital were swept up in the rampages. The violence followed price increases for milk, sugar and flour in the previous days, and amid simmering frustration that Algeria's abundant gas and oil resources had not led to broader prosperity. Despite a heavy police presence following Friday prayers, rampaging youth continued their attacks that now spread to the east and west of the capital in cities like Oran, Bouira, Annaba, and Bejaia. By the end of the month and following the departure of President Ben Ali from power in Tunisia on 14 January, events in Algeria began taking a more confrontational turn as riots, demonstrations, and protests began to sweep the capital and other cities defying the ban on public gatherings put into place following the coup of 1992, also in January. This pattern of civil disobedience and popular protest accelerated following the fall of the Mubarak regime in Egypt on 11 February, almost a month after Ben Ali's removal in Tunisia. Emboldened by the successes of their neighbours to the east, Algerians began to articulate their grievances in explicitly political terms as placards, banners, and slogans appeared declaring 'no to the police state,' 'give us back our Algeria,' 'Boutef²⁹ out,' and '*le pouvoir assassins*.'

As indicated earlier, riots and protests have long been a regular feature of Algerian political life given the widespread socioeconomic grievances held by large swaths of Algeria's population and the elite's seeming indifference to such grievances and generally contemptuous attitude (*hogra*) towards the mass public.³⁰ Public sector strikes occur almost daily in a wide variety of professions from medical personnel, schoolteachers, oil and gas industry workers, municipal guards, etc. When such strike activity becomes overwhelming, the regime has the ability to meet some of the short-term economic demands of the protestors by rescinding, for example, the price hikes that initially brought protestors to the streets. The country's large oil stabilisation fund (*Fonds de régulation des recettes*) makes such policy reversals possible.

The depth and scope of anti-regime activity occurring in a dramatically changed regional environment in the first quarter of 2011 forced the regime into broader concessions than those usually made under similar conditions. For the first time since coming to power in 1999, Bouteflika convened the National Security Council (*Haut conseil de sécurité*), the body established to advise the president on security matters especially those concerning terrorist threats by GSPC and AQMI. Its first decision was to lift the emergency laws imposed in 1992 that limited political activities, demonstrations, protests, and other forms of public contestation not authorised by the state. For its part, a loosely coordinated group of opposition figures³¹ formed the National Coordination for Democratic Change (CNCD or *Coordination nationale pour le changement et la démocratie*) to serve as a spearhead for political change using mass demonstrations, political protests, and other forms of public contestation to achieve fundamental changes in the country's political economy reflecting the popular demand, over many years, for such changes.³²

Having kept virtually silent throughout the first three months of 2011 as the country was being rocked by public unrest echoing the protests taking place in other parts of the Arab world, President Bouteflika finally went on state television in mid April to announce a series of constitutional changes intended to 'strengthen democracy.' Speaking in a low and hoarse voice

reflecting the fragile state of the president's health, he declared that it was important to introduce the necessary amendments to the constitution that would 'crown the institutional edifice with the aim of strengthening democracy' (BBC News Africa 15 April 2011). He went on to state that 'active political currents' would join constitutional law experts in drawing up the amendments. In addition, the electoral law would be 'revised in depth,' with the participation of 'the political parties, whether present [in parliament] or not' (BBC News Africa 15 April 2011). A new information law would also be introduced to replace existing legislation under which journalists have been jailed after writing articles critical of the president. The new law would include 'regulations for responsible blogging,' he added (BBC News Africa 15 April 2011).

Given the intensity and longevity of public demands for major political change, most observers felt that Bouteflika's speech did not go far enough in responding to those demands, especially since no clear timeline was provided regarding the implementation of these constitutional reforms. Opposition groups like the CNCND have all along been calling for deeper changes including the dissolution of the current government and parliament as well as the creation of a constitutional council that brings together all of the country's political forces in advance of organising genuinely free and democratic presidential and legislative elections.³³ Other critics of the president's proposals referenced the intrigues and machinations surrounding the struggle for power currently under way between the president's office and the military-industrial complex highlighted by the Sonatrach scandal and its political aftermath discussed earlier.³⁴

To what extent, therefore, do the conditions in place in Algeria today forecast a fundamental change in the political system à la Tunisia and Egypt or are the calls for reform little more than symbolic gestures that leaves political power centralised in the military-industrial complex? Or, given the many distinctive if not unique features of the Algerian political experience, will a hybrid form emerge that is neither fully democratic nor fully authoritarian but whose oil-generated wealth can sustain into an indefinite future? As of this writing, the protests in Algeria have not coalesced into a nation-wide opposition movement seeking the overthrow of the Bouteflika regime in the manner that happened in Tunisia and Egypt. By hiking food subsidies, doubling the salaries of state workers, offering free land, and ending the emergency laws, the regime has contained the most excessive aspects of the unrest. Additionally, the recent memory of the civil war in the 1990s that nearly tore the country apart and left nearly 200,000 people dead, hangs over the national consciousness serving as a brake to large-scale domestic violence. Indeed, to the extent that the chaos in neighbouring Libya festers or deepens, with all the implications this has on national security concerns and the fight against AQMI, this may serve to dampen the support for those calling for violence against the regime. However, 'were Algerians to protest forcefully and coherently against the structure of the government, particularly the concentration of power in the executive and the military, the regime lacks the flexibility or credibility among the people to meet their demands through constitutional means' (Economist Intelligence Unit April 2011, p. 5). Given its recent history, there is little doubt that the security forces and the army would intervene in a forceful if not deadly way to prevent any attempt at an extra-constitutional transfer of power that is not engineered by *le pouvoir* itself.

The 'Arab spring' has arrived at a critical juncture in Algeria's modern history as a state and society are in the midst of great uncertainty with a weakened president who, because of visible illness, is unlikely to complete his third presidential term in 2014, a constitutional system that does not provide a clear mechanism for political succession, an emboldened national security apparatus headed by an individual who is himself, at 72, exhibiting signs of physical weakness, a politically manipulated and economically mismanaged hydrocarbon industry from which virtually all sources of state revenues derive, and an increasingly animated civil society no longer

willing to be placated by either rhetorical promises or short-term economic rewards as condition for political compliance. However, these conflicting forces ultimately resolve themselves, what is clear is that the previous modes of rule-making and rule-enforcement will have to be fundamentally reconfigured in ways that respond to populist demands for social advancement, economic opportunity, and political freedoms. Whether this process develops peacefully or violently is ultimately in the hands of *le pouvoir* – as it has been since the founding of the republic.

Notes

1. See Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes After the Cold War* (New York: Cambridge University Press, 2010) for an analysis of regimes that combine competitive elections with serious violations of democratic procedures.
2. See John P. Entelis, *Algeria: The Revolution Institutionalized* (Boulder, CO: Westview Press, 1986), pp. 111–155.
3. The pernicious role of state power in the Arab world is best captured in Nazih N. Ayubi, *Over-Stating the Arab State: Politics and Society in the Middle East* (London: I. B. Tauris, 1995).
4. The durability of the technocratic state finds its roots in the aftermath of the *coup d'état* of 1965 staged by Col. Houari Boumediene against the country's first post-independence president, Ahmed Ben Bella. 'Over time the political elite created by the original army-backed coup was paralleled by an economic elite, itself entrenched in the political and administrative structures created for the hegemonic state system. Increasingly, the two elites merged as the technocrats who administered the state and its economy sought benefits in the private sector, and the rewards of power were more and more expressed in economic terms.' International Crisis Group, 'Algeria's Economy: The Vicious Circle of Oil and Violence,' ICG Africa Report No. 36, 26 October 2001, p. 1.
5. See Radio-Beur, *October à Alger* (Paris: Seuil, 1988) and Abed Charef, *Octobre* (Algiers: Laphomic, 1989).
6. See John P. Entelis, 'Algeria Under Chadli: Liberalization without Democratization or, Perestroika, Yes; Glasnost, No,' *Middle East Insight*, vol. 6, no. 3 (Fall 1988), pp. 47–64.
7. Given the importance of symbolism over substance, the country's official name – the 'People's Democratic Republic of Algeria,' also formally referred to as the 'Democratic and Popular Republic of Algeria' – has retained its populist label however much Algeria is neither 'populist' nor 'democratic.'
8. See William B. Quandt, *Between Ballots and Bullets: Algeria's Transition from Authoritarianism* (Washington, DC: Brookings Institution Press, 1998) for an account of the country's transition in the 1990s away from its authoritarian past into a democratic future however precarious and unstable.
9. *Le pouvoir* ('the power') is a very commonly used term in the Algerian context to refer to the 'powers behind the throne,' meaning the key members of the independence-era old guard within the army high command of the ANP (*Armée Nationale Populaire*) and the intelligence services (DRS) often working in conjunction with high-level elites in the party and bureaucratic apparatus of the state. *Le pouvoir* operates behind closed doors, its activities opaque and unknown to the overwhelming majority of Algerians.
10. The two top leaders of FIS, Abassi Madani and Ali Belhadj, were already in jail having been imprisoned in June 1991 on charges of 'hostile actions against the state.'
11. A recently published report by Algeria's human rights commission makes clear, in bold and honest fashion, the many challenges facing Algerians in their daily lives with seven areas highlighted for their severity and importance: disaffected youth, violence against women, corruption, judicial abuses, status of the disappeared, public health, and the handicapped. See 'Les sept plaies de l'Algérie,' *Jeune Afrique*, 29 December 2010 (www.jeuneafrique.com)
12. See www.transparency.org.
13. Algeria's global ranking among 134 countries along the 12 categories constituting the Global Competitiveness Index are as follows: Institutions = 102; Infrastructure = 84; Macroeconomy = 5; Health and Primary Education = 76; Higher Education and Training = 102; Goods Market Efficiency = 124; Labour Market Efficiency = 132; Financial Market Sophistication = 132; Technological Readiness = 114; Market Size = 51; Business Sophistication = 132; Innovation = 113
14. See Menas Algeria Focus, February 2010, p. 1.
15. The primacy of the intelligence services in affecting high politics in Algeria has led some analysts to go so far as to recommend that the army stage a military coup d'état thereby sidelining the DRS and restoring the country's democracy. See Lahouari Addi, 'Le Dernier Coup d'Etat,' *El Watan*, 5 May 2011 (www.elwatan.com).

16. Mouloud Hamrouche (1989–91), Sid Ahmed Ghozali (1991–92), Belaid Abdessalam (1992–93), Redha Malek (1993–94), Mokdad Sifi (1994–95), Ahmed Ouyahia (1995–98, 2003–06, 2008–present), Smail Hamdani (1998–99), Ahmed Benbitour (1999–2000), Ali Benflis (2000–03), and Abdelaziz Belkhadem (2006–08).
17. See Menas Algeria Focus, February 2010, at 1.
18. In a meeting that President Bouteflika had with AFRICOM head, General William E. ‘Kip’ Ward, in Algiers in November 2009, the Algerian president stressed to the American General that ‘the Algerian army remains firmly under the control of civilian authorities,’ according to diplomatic cables made public in WikiLeaks. Bouteflika went on to stress that Algeria has a ‘constitution that everyone obeys.’ The independent Algerian press gave wide coverage to this exchange in the context of exposing the falsehood of such assertions. See *El Watan* (Algiers), 6 December 2010.
19. Meziane was sentenced in May 2011 to two years – one suspended – in prison and fined around \$7000 for contract issues that followed his firing in 2010. Four others tied to the Sonatrach investigation were sentenced to up to a year in prison. *United Press International*, 5 May 2011.
20. Bouteflika and Khelil were both born in Oujda, Morocco, and spent their childhoods there together as their families were friends. After spending many years living and studying in the United States including a stint at the World Bank in Washington, DC, Khelil was called back to Algeria to assume the energy portfolio following Bouteflika’s election to the presidency in 1999. According to a former vice president of Sonatrach, Khelil’s task as Minister of Energy was to ‘make Algeria’s oil and gas resources available to the Americans.’ (See Hocine Malti, *Histoire Secrète du Pétrole Algérien*. Paris, La Découverte 2010).
21. Belkheir died in Algiers in January 2010 after a long illness.
22. See Amir Azarvan, ‘Terror, Oil and Repression in Algeria,’ *The Journal of North African Studies*, vol. 15, no. 2 (June 2010), pp. 231–254.
23. See Menas Algeria Focus, June 2010, at 1.
24. This assessment has been widely reported in special interest journals and business-related reports. ‘The removal or demotion of several key ministers close to the president reflects the growing clawback of authority by Algeria’s military old guard—known locally as *le pouvoir*—over the presidency.’ *Business Middle East*, 16 June 2010, p. 2
25. For details of Meziane’s courtroom testimony regarding his bureaucratic subservience to Khelil (‘On a agi sur ordre de Chakib Khelil’ ‘We acted on the order of Chakib Khelil’), see ‘Le Dossier Transmis à la Chambre D’Accusation,’ *Liberté* (Algiers), 1 October 2010.
26. For full details of Yousfi’s career, see Ali Titouche, ‘Arrivée de Youcef Yousfi au ministère de l’énergie et des mines: La fin de l’ère Khelil,’ *El Watan*, 30 May 2010.
27. See ‘Algeria Names New CEO at Energy Firm Sonatrach,’ *The Africa Report*, 4 May 2010.
28. According to Minister of Interior statistics for 2010, security forces killed, injured, or arrested approximately 1935 suspected terrorists. See United States Department of State, ‘2010 Human Rights Practices: Algeria,’ March 2011, p. 2.
29. The diminutive for Bouteflika widely used by Algerians in a critical not complimentary sense.
30. Symptomatic of the frustration held by so many of the youth is the statement by one out-of-work 29-year-old Algerian, Bilal Boudamous, who declared to a *New York Times* reporter during one large demonstration in the capital that saw as many security forces as protesters, that the police forces ‘can’t kill us because we are already dead. We live with our parents, and we have no future.’ Adam Nossiter and Timothy Williams, ‘Security Forces Halt Protest in Algeria,’ *The New York Times*, 12 February 2011 (www.nytimes.com).
31. The leading figures in this efforts are Saïd Saadi, the head of the Berberist party, the Rally for Culture and Democracy (RCD or *Rassemblement pour la Culture et la Démocratie*), and Ali Yahia Abdenour, the 90-year-old honorary president of Algeria’s leading independent human rights organisation, the LADDH (*Ligue algérienne pour la défense des droits de l’homme*). Part of the difficulty Algerian civil society is having in mobilising a truly national coalition of opposition forces is the view that people like Saadi have long ago compromised their political principles when they sided with the coup makers in 1992 in overturning the election results that would have seen the FIS achieve a majority in parliament.
32. Numerous petitions in favour of such democratic change have circulated nationally and internationally by respected Algerian scholars, lawyers, human rights activities, journalists, and others including Mohammed Harbi, Madjid Benchikh, Aïssa Kadri, and Ahmed Dahmani. See ‘Appel pour une transition démocratique en Algérie,’ *El Watan*, 10 February 2011 (www.elwatan.com).
33. See *El Khabar* (Algiers), 17 April 2011. See also *El Watan*, 18 April 2011, which described the president’s proposals as another way by which the system ‘wants to keep things in hand while making it appear that it is reforming—which it is not.’

34. For a broader analysis of the political sclerosis currently confronting the Algerian regime, see Rachid Tlemcani, 'Le discours de Bouteflika confirme qu'il n'y a pas une volonté politique de sortie de crise,' *El Watan*, 18 April 2011 (www.elwatan.com).

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