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BOUTEFLIKA'S UNCERTAIN FIFTH TERM

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POLITICAL AND ECONOMIC ENDORSEMENT OF BOUTEFLIKA'S FIFTH TERM

In April 2019, Algerian voters will go to the polls to elect their next president. On 28 October 2018, Djamel Ould Abbas, chairman of the ruling National Liberation Front (*Front de Libération Nationale*, FLN), declared that the incumbent president, Abdelaziz Bouteflika, is the party's designated candidate for the elections. Bouteflika, who was first elected in 1999 and is the longest-serving Algerian head of state, has yet to announce his candidacy. The FLN's announcement does not mean that he has accepted or that he will not drop out closer to the time in favour of another candidate. However, for the moment the only obstacle to his re-election seems to be his advanced age, 81, and deteriorating health: the other candidates pose no threat and reflect the non-existence of any real opposition.²

The FLN's announcement came as no surprise. Despite the fact that the incumbent has been weak since suffering a stroke in 2013 – which led to a reduction in the number of public appearances he makes, during which he is seen in a wheelchair – for months, Bouteflika's camp has been calling for him to be elected for a fifth term. On 2 September, the FLN, the National Rally for Democracy (*Rassemblement National Démocratique*, RND), another party close to the regime, and the Islamist party Rally of Algerian Hope (*Tajammu Amal al-Jaza'ir*, TAJ) – together with thirteen other parties – expressed their support for the Algerian leader: “We have a single voice and we are hand in hand with the President of the Republic”,³ the FLN chairman announced at a press conference. For them, Bouteflika's fifth term is a question of life or death: Bouteflika is Algeria and Algeria without Bouteflika would not be the same. “Continuity” – Ould Abbas explained – “is the only guarantee for the stability, and therefore, the security of the whole country”.⁴

Just a few days after the FLN press conference, the Business Leaders' Forum (*Forum des Chefs d'Entreprises*, FCE), the leading economic institution in the country, and the General Union of Algerian Workers, the only trade union federation recognized by the regime, called for Bouteflika's re-election. The presence of businessmen in the national decision-making arena is a hallmark of Bouteflika's presidency, as he has poured hundreds of billions of dollars from oil revenues into the public purse. Ali Haddad, the FCE's president, is considered to be Algeria's most influential

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2 There are five candidates willing to participate in the upcoming elections: Nacer Boudiaf, son of Mohamed Boudiaf, the former president of the country who was killed in 1992; Fathi Ghares, the representative of the opposition party Democratic and Social Movement; Ali Zaghdoud, president of the Algerian Rally, a micro-party that is active only during elections; Tahar Missoum, a former deputy of the Algerian Rally; and Abdelaziz Belaid, president of the Future Front party.

3 Fayçal Métaoui, “5e mandat: Ould Abbas réunit seize partis pour ‘la continuité’ en l’absence du RND et de TAJ”, in *TSA Algérie*, 2 September 2018, <https://www.tsa-algerie.com/5e-mandat-ould-abbes-reunit-seize-partis-pour-la-continuite-en-labsence-du-rnd-et-de-taj>.

4 Ibid.

businessman; his construction company, ETRHB Haddad Group, has been one of the main beneficiaries of the government's huge infrastructure programme. In 1999, he also benefited from a 2.5 billion US dollar loan plan and the ETRHB Haddad Group became the leading construction company in the country. Since 2014, the FCE has been able to influence decision-making, help the government implement its policies and reshape the economic landscape: encompassing 7,000 companies, 300,000 employees and with combined revenues of approximately 35 million US dollars as of March 2018, it is in a strong position to play such a role.⁵

The political and economic endorsement for Bouteflika's fifth term reveals something other than just unconditional subordination to the president. The situation is plausible only up to the point that there is no alternative and no consensus among the different power groups as to a new candidate. According to a prominent intellectual on Algeria,

the maintenance of Bouteflika in power does not mean that the Algerian system is based on the influence of a single person. Conversely, the maintenance of Bouteflika means the guarantee of a very dynamic system, based on different interests and groups that want to prepare a transition that does not shake the fundamentals of the system.⁶

In Algeria, when we speak about "interests" and "groups" we refer to the *décideurs*, which mainly consist of political parties with close ties to the regime, influential economic elites and senior figures in the People's National Army. In the eyes of the general populace, the army still represents the nation. According to a survey by Arab Barometer, Algerians continue to trust the armed forces significantly more than any other political institution (75 per cent): the next most trusted institution is the police (60 per cent), followed by religious leaders (48 per cent).⁷ Parliament and political parties are the least trusted political institutions: only 14 per cent of people surveyed trust political parties. The army's legitimacy stems from having led Algeria to independence, but also from having fought against Islamist groups during the civil war and, more recently, in it being able to provide security in a region where the threat of jihadism persists.

Nonetheless, Bouteflika's desire to downsize the army's role in politics in order to transform Algeria from a military regime into a civil one has never been so clear in the public eye as in the second half of 2018. From the beginning of July, dozens of high-level military staff were dismissed, forced into retirement or referred to military courts for investigation into charges of financial corruption. The reshuffling of the upper echelons of the country's military, police and security forces came after the seizure of 701 kilograms of cocaine in the port of Oran. After a couple of weeks Abdelghani Hamel, head of the Algerian national police force and at the time one of Bouteflika's closest advisors, was dismissed and the narco-scandal turned out to be an affair of corruption, illegal transfer of foreign money and the fraudulent buying of real estate. Within this "clean-hands" operation, the media reported a number of other high-profile suspects, such as

5 Dalia Ghanem-Yazbeck, "Limiting Change through Change. The Key to the Algerian Regime's Longevity", in *Carnegie Papers*, April 2018, p. 19, <https://carnegieendowment.org/publications/76237>.

6 MENARA interview, Rome, September 2018.

7 Arab Barometer, *Algeria Five Years after the Arab Uprisings*, 15 April 2017, p. 8, http://www.arabbarometer.org/wp-content/uploads/Algeria_Public_Opinion_Survey_2016.pdf.

judges, mayors, prosecutors, property developers and sons of important politicians. As has been written in *El Watan*, the leading Algerian francophone newspaper, “in the history of military justice never have so many senior officers been prosecuted and then detained”.⁸

The “clean-hands” operation demonstrates that, in Algeria, the myth of the *general-makers* has come to an end. This confusion had been created by some circles close to the Islamists that made it look as if the army had a prominent role in political decision-making. When in 2004 General Mohamed Lamari – who at the time was the chief-of-staff – voiced a contrary opinion on Bouteflika’s second mandate, he was forced into retirement. In 2015, Bouteflika did the same with General Mohamed Mediène, who for twenty-five years had been head of the secret services. The “clean-hands” operation is also seen as a litmus test for Bouteflika’s candidacy for a fifth term: it reveals the president’s entourage’s wish to be considered by the people as the honest interlocutor of power in a country badly affected by corruption. According to the Transparency International index, Algeria ranks 112th out of 180 countries in terms of perceived corruption.⁹

REPRESSION OF THE OPPOSITION AND A CARROT-AND-STICK APPROACH TO THE POPULACE

Bouteflika’s tenure has also been marked by the aim to formally consolidate procedural democracy through a façade of pluralism (today Algeria officially has more than thirty political parties) and the organization of regular elections. Since 1999, the country has had four presidential elections, four parliamentary elections, four local elections and two referendums (held in 1999 and 2005). Thus, the current political debate demonstrates how the multiparty system is, in fact, a means by which those in power create the mere semblance of openness.¹⁰ Furthermore, during Bouteflika’s era political parties in Algeria have not improved or modernized their structures and have rather cultivated old patterns of patronage that make them lethargic, uncommitted or passive vis-a-vis making a tangible impact. The historical parties such as the Socialist Forces Front have lost their influence, while the other opposition parties – such as the Islamists – have largely been co-opted (as with the TAJ, which is among the sixteen parties that have called for Bouteflika to serve a fifth term) or subtly repressed. For instance, sympathizers of al Mouwatana, the only secular opposition movement that has an appeal for the population, are repeatedly intimidated by the police. On 12 August 2018, the secret services interrupted a demonstration in Algiers since, according to Article 49 of the Constitution, it is forbidden to demonstrate in the capital. But on 8 September the leaders of the movement were stopped in a small town outside of the capital as well. “Today the secret services have prevented us from holding our demonstration. Together with other members of the movement, they stopped me and detained me in the police station for more than two hours”, Ms Zoubida Assoul, one of the movement’s leaders, explained to MENARA. Yet, according to her

8 Salima Tlemcani, “Poursuivis pour ‘corruption’ et ‘trafic d’influence’: Cinq généraux-majors sous mandat de dépôt”, in *El Watan*, 15 October 2018, <https://www.elwatan.com/a-la-une/poursuivis-pour-corruption-et-trafic-dinfluence-cinq-generaux-majors-sous-mandat-de-depot-15-10-2018>.

9 Transparency International, *Corruption Perception Index 2017*, 21 February 2018, https://www.transparency.org/news/feature/corruption_perceptions_index_2017#table.

10 Dalia Ghanem-Yazbeck, “Limiting Change through Change”, cit., p. 10.

the problems they face are also due to the political disengagement of the people.¹¹ “The Algerian populace is completely anesthetized. The regime has had time to learn how to manipulate a people still traumatized by the brutality of the civil war and scared by the current regional instability.”

The Arab uprisings of 2011 demonstrated the capacity of the regime to do just that: in contrast to other countries such as Tunisia, Libya, Yemen or Syria, Algeria maintained some semblance of stability. The brutality of the civil war and the oil rents played their part too. Although riots and demonstrations did shake the country, the regime was able to address the grievances of its citizens through rent distribution – for example in the form of free housing for all and through the implementation of procedural democracy with the lifting of the nineteen-year state of emergency. Bouteflika knew that the country had to do more to demonstrate its capacity to adapt the political system in light of Algerians’ grievances and recognized the alienation of the youth – which represents more than half of the population – in the political arena. In May 2012, during the commemoration of the Sétif and Guelma massacre, Bouteflika admitted that his generation has had its day.¹² For the first time in the history of his regime, he addressed the youth and called on the *mujahidin* (in Arabic, the fighters, that is to say those who fought against France during the war of decolonization) to leave room for the new generations. His speech was considered historic and influenced the outcome of the legislative elections that took place two days later: the FLN and the RND won the majority of seats and voter turn-out (40 per cent) was higher than expected. In a region thrown into chaos by the ousting of dictators and the rise of non-state actors, the Algerian status quo won.¹³ Two years later, in 2014, Bouteflika was again re-elected as president with almost 82 per cent of the vote in the first round.

In view of the fact that since 2014 Algeria has faced its most serious economic challenges in decades, it is uncertain whether the government will be able to continue to co-opt the population with a carrot-and-stick approach as in the past. The oil-dependent economy – hydrocarbons still provide 60 per cent of state revenues – has suffered under a period of low oil prices which have dramatically undermined its revenues and financial reserves: in four years, Algeria’s foreign reserves have fallen from 178 billion US dollars to 90 billion.¹⁴ According to the International Monetary Fund, in 2017 the North African country’s economy grew by just 1.6 per cent, youth unemployment stood at 28 per cent and 10 per cent of the population was at risk of falling back into poverty.¹⁵ Meanwhile, Algerians complain about the erosion of their purchasing power as prices have risen and their currency depreciated. According to the Arab Barometer survey, the Algerian economy remains among the top concerns in the country. This is mirrored by the fact that

11 Personal communication, Rome, September 2018.

12 “Discours du président de la République, Abdelaziz Bouteflika à Sétif”, in *El Watan*, 8 May 2012, <https://algeria-watch.org/?p=27940>. See also Giampaolo Calchi Novati and Caterina Roggero, *Storia dell’Algeria indipendente. Dalla guerra di liberazione a Bouteflika*, New edition, Milano, Bompiani, 2018.

13 Giampaolo Calchi Novati and Caterina Roggero, *Storia dell’Algeria indipendente*, cit.

14 Heba Saleh, “Algeria’s Corporate Barons Cast Themselves as Saviours of Economy”, in *Financial Times*, 12 July 2018, <https://www.ft.com/content/4f315ec6-8072-11e8-8e67-1e1a0846c475>.

15 International Monetary Fund (IMF), “Algeria: 2018 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Algeria”, in *IMF Country Reports*, No. 18/168 (June 2018), <https://www.imf.org/-/media/Files/Publications/CR/2018/cr18168.ashx>.

today, among Algerians aged 18–24, nearly two-thirds of men and a third of women are thinking about emigrating for economic reasons or due to a combination of economic and political factors.¹⁶

In 1986, with the collapse of oil prices, Algeria faced its biggest economic crisis since independence. The plummeting oil prices reduced its export revenues which, along with a national debt of 20 billion US dollars, precipitated years of bitter austerity. In October 1988, the country was shaken by a series of demonstrations bewailing the government's failure to reinvigorate the economy and improve living standards. The riots led to the fall of Algeria's one-party system (dominated by the FLN) but also resulted in a series of political conflicts that were ultimately unleashed in the civil war. At the time of the riots, the *New York Times* carried an article that could virtually have been written today:

Fifty-seven percent of Algeria's population is less than 21 years old, and the young are a force to reckon with. They were born after the National Liberation Front wrested independence from France in a civil war and many say they regard the Front not as a group of revolutionary heroes but as an undemocratic political party made up of aging officials who jealously guard their power and perquisites.¹⁷

If it is true that since the Arab uprisings people's demands have remained non-subversive, the spontaneous protests that continue to take place in Algeria have nevertheless been demanding better living conditions, higher salaries and lower taxes. Algerians support a programme of gradual reform instead of radical and fast-paced change and conceptualize democracy's essential characteristics primarily in socio-economic terms. Most Algerians tend to describe the concept of democracy through basic necessities such as food, shelter and public services and very few consider part of it to be the right to organize political groups.¹⁸ For the moment, the government has reacted to this wave of popular mobilization in two ways: on the one hand it has promised economic liberalization to the business elites and on the other it has engaged religious leaders to contain the population's socio-economic grievances. Social Islamism is widespread in the mosques and in neighbourhoods suffering from social misery. The Islamists derive benefits from the laxity of power that is the result of a certain political calculus. There is a kind of labour division at play: the government takes care of the main levers of power (economy, trade, army, administration, public and private business), while the Islamists have a duty to control society and contain its hunger and general socio-economic malaise through a religious discourse that insists on the benefits of stability and non-rebellion.

16 Arab Barometer, *Algeria Five Years after the Arab Uprisings*, cit., p. 5.

17 Steven Greenhouse, "Algeria's Misfortune: 'One Quick Blow' From Oil", in *The New York Times*, 12 October 1988, <https://nyti.ms/2RlrPjo>.

18 Arab Barometer, *Algeria Five Years after the Arab Uprisings*, cit., p. 15. According to another Arab Barometer report, since 2013 there has been a large increase (21 percentage points) in Algerians who believe the country's economic performance is weak under democracy. See Natalya Rahman, *Democracy in the Middle East and North Africa: Five Years after the Arab Uprisings*, Arab Barometer, October 2018, p. 6, http://www.arabbarometer.org/wp-content/uploads/Democracy_Public-Opinion_Middle-east_North-Africa_2018.pdf.

WHAT IT IS NEEDED TO AVOID POLITICAL PARALYSIS?

The country's next presidential elections are not likely to be a turning point in Algeria unless Bouteflika decides to back down closer to the elections in favour of another candidate. In this case, the ballots would probably be postponed until the *décideurs* could find a suitable new candidate. However, according to most analysts and newspapers, the incumbent president is likely to run and also to be elected for the fifth time despite his old age and poor health. During the most recent annual meeting between government and *walis* (the governors and the administrative heads of the country's provinces), Bouteflika delivered a speech suggesting his full commitment to participating in the ballot.

If some are reducing the challenges of the present and the future to the leaders and people's succession and changes, and are willing, for obscure reasons, to propagate this idea, you all know, you that are on the ground witnessing the security and socio-economic challenges, that the stakes are much greater. It is about protecting the achievements of the people over the past two decades and preserving and enhancing them for their benefit.¹⁹

Therefore, the question is not whether Bouteflika will be re-elected, but what will happen afterwards. If it is true that he is still considered to be the father of the Reconciliation and represents a system whose longevity is based on its ability to adapt to changing circumstances, the economic capacity of the regime to buy time and not implement changes is lacking. Moreover, unless there is an alteration to the Constitution, the 2019–2024 mandate would be Bouteflika's last. Therefore, an eventual succession is also imperative for political reasons.

Will the regime be able to drive a political transition in a moment when the country faces a deep economic crisis? In the short term, it is unlikely that the government will be able to do so. According to many analysts, Bouteflika's speech during the government-*walis* meeting also implied a lack of consensus among the elites as to a possible successor.²⁰ Uncertainty and political paralysis are around the corner. So, in order not to exacerbate citizens' frustrations the regime has to start implementing a series of political changes that – in the short term – do not threaten its existence but can induce a slow transition towards a more democratic country. In a country where the economy still relies heavily on hydrocarbons, a diversification of the economic sector is much needed. But it is sure that economic liberalization, together with reform of the political system – in particular in the field of justice and participatory democracy – is hardly likely to be implemented in the short to medium term. On the contrary, on the heels of the "clean-hands" operation, the government should continue to pursue its fight against corruption and implement a campaign of transparency in the economic field. This is much more necessary today since, among the *décideurs*, there are the business elite whose legitimacy has nothing to do with that which the army or the FLN have. Whereas the legitimacy of these latter stems from their engagement in the war of decolonization against France and, more recently, from the civil war, the business elite is

19 "Rencontre gouvernement-walis: le texte intégral du message de Bouteflika", in *TSA Algérie*, 28 November 2018, <https://www.tsa-algerie.com/rencontre-gouvernement-walis-le-texte-integral-du-message-de-bouteflika>.

20 Makhlof Mehenni, "Discours de Bouteflika: des résistances externes et internes au 5e mandat?", in *TSA Algérie*, 28 November 2018, <https://www.tsa-algerie.com/discours-de-bouteflika-des-resistances-externes-et-internes-au-5e-mandat>.

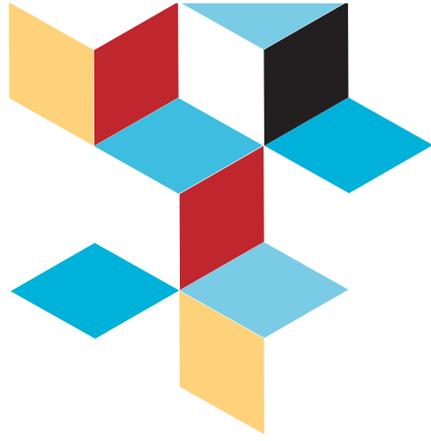
often considered to be a group of oligarchs whose aim is to fulfil its own interests.²¹

In order to alleviate the grievances of the people, the populace should also be made more aware of the state's budget and of how its financial resources are distributed. Up to now, there are still no official declarations or data on the state's sovereign wealth fund, which is believed to have been exhausted in 2017.²² Transparency is even more vital when taking into account that the government will need to implement austerity measures to reduce public expenditure. Even if oil prices did recover last year, reaching 50–60 US dollars per barrel, it is not clear whether this trend will continue in the future. In addition, Algerian production of hydrocarbons has declined (and is not expected to rise in the long term), which has led to a spike in inflation.²³ In this light, the austerity measures that need to be put in place will involve significant cuts to state subsidies – to the detriment of around 10 per cent of the population, which is considered to be vulnerable and at risk of falling back into poverty. These measures will therefore have to be implemented carefully and also take important regional disparities into account. Thus, after the elections Bouteflika and his entourage will be under enormous pressure to impose crucial reforms while at the same time possibly facing resistance from the elites (in the fight against corruption) and from the population at large (with regard to the subsidy cuts).

21 International Crisis Group (ICG), "Breaking Algeria's Economic Paralysis", in *ICG Middle East and North Africa Reports*, No. 192 (19 November 2018), p. 19, <https://www.crisisgroup.org/node/8169>.

22 Ibid., p. 4-5.

23 Rabah Arezki et al., *Middle East and North Africa Economic Monitor, April 2018: Economic Transformation*, Washington, World Bank, April 2018, p. 47, <http://hdl.handle.net/10986/29649>.



Middle East and North Africa Regional Architecture: Mapping geopolitical shifts, regional order and domestic transformations (MENARA) is a research project that aims to shed light on domestic dynamics and bottom-up perspectives in the Middle East and North Africa amid increasingly volatile and uncertain times.

MENARA maps the driving variables and forces behind these dynamics and poses a single all-encompassing research question: Will the geopolitical future of the region be marked by either centrifugal or centripetal dynamics or a combination of both? In answering this question, the project is articulated around three levels of analysis (domestic, regional and global) and outlines future scenarios for 2025 and 2050. Its final objective is to provide EU Member States policy makers with valuable insights.

MENARA is carried out by a consortium of leading research institutions in the field of international relations, identity and religion politics, history, political sociology, demography, energy, economy, military and environmental studies.



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