

Geographical Overview | **MPCs. Maghreb**

“No Freedom – No Development,” Algeria’s New Deal

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Over three years after the start of the popular uprising that came to be known as the Hirk, the regime’s counter-revolutionary plan appears to have gained the upper hand. The Algerian regime, or *Le Pouvoir* (the power) – an opaque network of primarily military but also political and economic elites – has once again proven its tenacity. Despite millions of Algerians decrying its rule and a deteriorating economic situation, the regime has astutely leveraged manoeuvres to maintain its grip on power. Yet, the emerging political reality is wobbly and fierce contestation both from within and outside the system persists, making the country virtually ungovernable.

Rebuilding a Fragile Civilian Facade

Holding snap elections to reshape institutions from the presidency to local councils has been the cornerstone of the regime’s restoration strategy. According to the official narrative, this process would sanitize institutions from corruption and mismanagement and usher in a “new Algeria” healed from the wounds of the past. The first step in the regime’s roadmap consisted of organizing the much-contested presidential elections of December 2019, which

brought to power Abdelmadjid Tebboun, Algeria’s former Prime Minister and *protégé* of the army’s late chief of staff, general Ahmed Gaid Saleh. The elections recorded the lowest turnout in Algeria’s independent history for a presidential election, with just 39% of the electoral body participating.¹ This was followed by the revision of the Constitution, an initiative hailed by *Le Pouvoir* and its supporters as one that would meet the Hirk’s democratic aspirations. Yet, according to several constitutionalists, the new text further entrenched the President’s power, giving him control over the judiciary and the legislative. Only 13.7% out of the country’s 24.47 million registered voters, voted in favour of the new constitution.² With very few prerogatives attributed to the Parliament and a repressive context, Algerians also overwhelmingly shunned the ballots in the June 2021 legislative elections. Turnout was just 30.2 per cent, the lowest in 20 years for legislative elections.³ Major opposition parties had refused to participate, including the Rally for Culture and Democracy (Rassemblement pour la culture et la démocratie, RCD), the Workers’ Party (Parti des travailleurs, PT), and the Socialist Forces Front (Front des forces socialistes, FFS).

The long-time incumbent, the National Liberation Front (Front de liberation national, FLN), which played a significant role during Bouteflika’s two decades in power, won the most seats with 105 of the 407 seats, followed by independent candidates with 78 seats. Later, independent candidates would vow allegiance to President Tebboune. Algeria’s largest

¹ “Abdelmadjid Tebboune declared winner of Algeria election.” *Financial Times*, 13/12/19. www.ft.com/content/d3a4f292-1da3-11ea-97df-cc63de1d73f4

² “Le Conseil constitutionnel proclame les résultats définitifs et officiels du scrutin.” *APS*, 12/11/20 www.aps.dz/algerie/112733-le-conseil-constitutionnel-proclame-les-resultats-definitifs-et-officiels-du-scrutin

³ “Législatives en Algérie : les électeurs boudent une nouvelle fois les urnes.” *France 24*, 13/06/21. www.france24.com/fr/afrique/20210613-19%C3%A9gislatives-en-alg%C3%A9rie-les-%C3%A9lecteurs-boudent-une-nouvelle-fois-les-urnes

Islamist party, the Movement of Society for Peace (Hamas, MSP), came third with 64 seats, while the pro-system Democratic National Rally (Rassemblement national démocratique, RND) ranked as the country's fourth biggest political force. The municipal and provincial council elections in November 2021 marked the last episode in a series of widely boycotted elections.

Elections were seen by many as nothing more than cosmetic reforms aimed at extending the life of an autocratic political system

The regime's propaganda, portraying its roadmap as the only path forward for change, has failed to convince Algerians who have expressed their rejection by a massive boycott of four consecutive elections. These elections were seen by many as nothing more than cosmetic reforms aimed at extending the life of an autocratic political system. In a context marked by an abysmal lack of state-citizen trust and the absence of accountability mechanisms, the boycott became a powerful act of defiance for Algerians.

Nonetheless, the embarrassing turnout did not stop the regime from holding all planned polls. Authoritarian regimes organize elections for a myriad of reasons, including the need to feed clientelist networks, rally new supporters, showcase the opposition's weakness and maintain a form of institutional legality internationally. In this sense, elections are more about putting on a show that helps strengthen the system than enacting mechanisms for representation and accountability.

That being said, against the backdrop of a shrinking social base, repression has become one of the rare

cards available to the regime. The Hirak's weekly demonstrations, which were brought to a halt after the Covid-19 pandemic, resumed weekly in February 2021 for its second anniversary, until they were violently banned by security forces ahead of the legislative elections. In May 2021, a law was passed officially criminalizing the Hirak, accusing it of being infiltrated by terrorist organizations, such as the Islamist-leaning Rachad organization and its leaders and the Mouvement for the Autonomy of Kabylie (Le mouvement pour l'autonomie de la Kabylie, MAK).⁴ Several pro-Hirak activists, journalists and social media influencers were jailed or persecuted for alleged affiliations to these organizations. With all the fanfare over the army's success in crushing terrorist groups during the civil war, the regime brought out the terrorist threat from the drawers two decades later to ensure its survival.

At the same time, the few existing spaces of freedom have been disappearing. Authorities intensified censorship on the independent press using a variety of means, from banning newspapers and imprisoning journalists to blocking all potential financial streams. In April 2022, "Liberté," one of Algeria's leading independent media, printed its last issue three decades after its launch.⁵ Opposition parties and organizations also faced a repressive crackdown. In January 2022, the Algerian Council of State ordered the suspension of the Socialist Workers' Party (Parti socialiste des travailleurs, PST), forcing it to cease all its activities.⁶

Earlier, authorities dissolved the Youth Action Rally (Rassemblement actions jeunesse, RAJ), a well-known civil society organization.⁷ Furthermore, Fethi Gheras, the leader of the Democratic and Social Movement (MDS), was jailed for nine months for his political stance.⁸ To be able to retain power, the regime has arguably restricted political and press freedoms to pre-1988 levels when Algeria had a single-party system.

⁴ "L'Algérie classe comme « organisations terroristes » deux mouvements basés à l'étranger." *Arabnews*, 19/05/21 www.arabnews.fr/node/94951/monde-arabe

⁵ "Médias: Liberté s'éteint, Rebrab s'explique." *24hdz* 14/04/22 www.24hdz.com/medias-liberte-seteint-rebrab-sexplique/.

⁶ "Les activités du PST gelées et son siège fermé." *Liberté*, 20/01/22. www.liberte-algerie.com/actualite/les-activites-du-pst-gelées-et-son-siege-ferme-371962

⁷ "Algérie : une ONG-phare du mouvement prodémocratie dissoute par la justice." *Le Monde*, 13/10/21 www.lemonde.fr/afrrique/article/2021/10/13/algérie-une-ong-phare-du-mouvement-prodémocratie-dissoute-par-la-justice_6098203_3212.html

⁸ "Fethi Gharas enfin libre ! retour sur un procès émouvant." *Radio M*, 22/03/22 <https://radio-m.net/fethi-gharas-enfin-libre-retour-sur-un-proces-émouvant/>

A Deteriorating Socioeconomic Environment

Mounting repression took place in the context of rapidly deteriorating socioeconomic conditions. The Covid-19 pandemic hit the Algerian economy hard, with lockdown measures and the fall in hydrocarbon prices resulting in a contraction of real GDP growth estimated at around 5.5% in 2020.⁹ Even though the economy experienced some recent recovery, at the start of 2022, GDP had remained below its pre-pandemic level. Foreign reserves – estimated at 200 billion USD before the 2014 drop in oil prices – dwindled to 41.5 billion in March 2022.

If high unemployment rates are a long-standing issue in the country, the pandemic further aggravated the issue with the temporary or permanent loss of hundreds of thousands of jobs. These jobs are mainly in sectors, such as services and construction – largely concentrated in the informal economy. Algerians also witnessed soaring prices, making inflation the big economic theme of the past few months. The Bank of Algeria announced in December 2021 that national inflation rates had reached 9.2%,¹⁰ but many experts have expressed scepticism towards this number, claiming that it is an underestimation. The decrease in the dinar's value, the government's excessive use of quantitative easing, shortages of supply and increased domestic demand all contributed to rising living costs. Moreover, long periods of drought negatively impacted agricultural production, leading the price of basic foodstuff to reach new heights.

In light of the growing poverty and political repression, many Algerians have been taking the potentially deadly journey of crossing the Mediterranean. The summer of 2021 has been the darkest summer for Algerian *Harragas*. According to data from Spanish authorities, 9,664 Algerians reached the Spanish coast between January and October 2021.¹¹ That is 20% more than in 2020, notes the same source.

While some manage to reach Europe safely, many lose their lives on the journey. The International Organization for Migration (IOM) indicated that at least 309 Algerian migrants, including 13 children, lost their lives in the Mediterranean in 2021.¹²

The Russian invasion of Ukraine and the consequent increase in hydrocarbon prices is, however, good news in the short term for Algeria, as hydrocarbons represent 95% of the country's exports. Algeria's external and fiscal balances are improving with the Saharan Blend selling at over 100 USD and soaring gas prices. The upsurge in OPEC+ quotas, and new contracts to reduce dependency on Russian energy, such as the one signed with Italy,¹³ will also boost hydrocarbon investments. Yet, long years without major investments in the sector and the suspension of the Maghreb-Europe Gas Pipeline, following tensions with Morocco, limits the potential gains Algeria could enjoy from the ongoing hike in energy prices.

Large private investments, both domestic and foreign, have virtually frozen in what capital holders see as a highly uncertain environment

Turning our sight to the non-hydrocarbon sector, the outlook is grimmer. Algeria's economy remains stubbornly dependent on oil and gas. The private sector, which can drive diversification efforts and create some of the jobs needed for the millions of unemployed Algerians, has been further muted since the *Hirak*. The spectacular rise and fall of notorious oligarchs during the Bouteflika era and the unfolding of numerous corruption scandals that led to the imprisonment of dozens of businessmen, politicians and

⁹ The World Bank, "Algeria's Economic Situation overview." www.worldbank.org/en/country/algeria/overview#1

¹⁰ "Very sharp rise in inflation and fall of the Algerian dinar." *Pipanews*, 23/12/21 <https://pipanews.com/very-sharp-rise-in-inflation-and-fall-of-the-algerian-dinar/>

¹¹ "I live on crumbs: why older Algerians are risking the small boats to Spain." *The Guardian*, 29/04/22 www.theguardian.com/global-development/2022/apr/29/algerian-migrants-europe-boats-spain-mediterranean

¹² "The number of Algerian *harraga* arriving in Spain in 2021." *Pipanews*, 28/10/21 <https://pipanews.com/the-number-of-algerian-harraga-arriving-in-spain-in-2021/>

¹³ "Italy signs deal with Algeria to increase gas imports." *Aljazeera*, 11/04/22 www.aljazeera.com/news/2022/4/11/italy-signs-deal-with-algeria-to-increase-gas-imports

bureaucrats have instilled a climate of terror in business circles.

In its new reconfiguration, the regime instrumentalized its anti-corruption campaign to jail pro-Hirak business leaders with no proven records of corruption or misconduct. As a result, large private investments, both domestic and foreign, have virtually frozen in what capital holders see as a highly uncertain environment. Urgent reforms are needed to regain investors' trust and unlock growth, including authorizing hundreds of pending loans, reducing bureaucratic hurdles, and adopting a set of industrial policies that incentivize investment in high value-added sectors. Yet, Algiers' emerging power configuration seems to lack the necessary cohesion, capacity and will to push for meaningful economic reforms.

Institutional Deadlock

The roadmap imposed by the regime against the will of the Hirak has resulted in weak institutions and wobbly consecutive governments, unable to put the country on a reform path. The apparent power competition between various clans within the system further weakens decision-making mechanisms and state capacity. In this sense, the post-Hirak political settlement resembles what Mushtaq Khan describes as a weak settlement, that is, a situation in which power is dispersed between competing factions, while only a narrow social base backs the faction in power. In this context, ruling elites do not have incentives to engage in meaningful reforms and build institutions for broad-based development.

The regime's survival in this type of settlement is contingent on several factors, rendering ambitious policy endeavours risky. Even when such policies are adopted, implementation capacity is weak. Sev-

eral decisions taken by Tebboune and his ministers end up being mere declarations of intent without any notable follow-ups on the ground. The gap between the regime and the people, combined with the seemingly endless power struggles within the regime itself, have left Algeria trapped in a precarious "No freedoms-No development" status quo.

Ultimately, the crucial economic, social and political change Algeria needs calls for the dissolution of flimsy new institutions and the creation of ones based on popular legitimacy

Acknowledging the institutional paralysis in which the country finds itself, in May 2022 Tebboune launched an initiative for dialogue with political parties and national figures. This presidential endeavour officially aims to rally political forces in the country and appease the general climate. So far, opposition parties have refused to join the initiative amidst continuous arrests of Hirak activists and restrictions on basic freedoms. While it is too soon at the time of writing to assess the merits of this initiative, no comprehensive political pact could emerge within the current liberticide environment. Ultimately, the crucial economic, social and political change Algeria needs calls for the dissolution of flimsy new institutions and the creation of ones based on popular legitimacy, that is, building a genuinely democratic system that would redraw the rules of the game to redistribute political power from the military institution to the people.