

## Algeria:

### Shifts in le pouvoir and the imperative of policy liberalisation

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Algeria's political space is secretive and Byzantine. The most important dynamics play out in secret and analysts are left to deduce the deep movements from clues on the surface – in a way similar to those used by American Kremlinologists during the Cold War, who had to sift through biographical information and clues gleaned from photographs to make up for the dearth of reliable information. In Algeria, political commentary revolves around the deeds and words of players in le pouvoir ('the 'power', as Algerians call the network of generals, politicians, civil servants and executives of state-owned enterprises which tightly controls the country), and observers can merely guess who the factions are and what pronouncements might mean for the country.

Historically, the main factions have been civilian and military, with civilian power being exercised through the two ruling parties, the National Liberation Front (FLN) and the National Rally for Democracy (RND). There was some realignment at the end of the terrible 'dark decade' of the 1990s, when anti-Islamists from the political and military power structures agreed on Mr Bouteflika as a consensus candidate to become president – he had been out of the country for long enough to be considered a neutral player. Since he became president in 1999, the factional alignment has changed to some extent, and in recent years the main poles of factionalism in the power have been the president, his family (especially his brother Said) and closest cronies on one hand, and networks centred on the intelligence services on the other.

In the past year, a number of developments in the military and the intelligence services have indicated that the Bouteflika clan has the upper hand in the power

structure. In July 2015, the three senior officers (all major-generals) in charge of Mr Bouteflika's personal security were dismissed after an undisclosed incident at the presidential palace in Zeralda. All three were former allies of the Bouteflika clan. The officers' replacements were also Bouteflika loyalists, and the development was read as a sign that the clan around the president was strengthening itself at the expense of the Directorate of Intelligence and Security (DRS), the domestic intelligence agency. The following month Abdelkader Aït-Ouarab (alias Hassan), a retired former counterterrorism chief in the DRS, was arrested.

The most dramatic news was Mr Bouteflika's sacking in mid-September of the head of the DRS – the shadowy Mohammed Mediene (alias Toufik). General Mediene is a near-mythical figure in Algeria. He played a part in the liberation war of the late 1950s and early 1960s, and had headed the DRS for 25 years. The last known photograph of him dates back to the 1990s, and many stories are told of his ruthlessness during the Islamist insurgency. His replacement as the head of the DRS was Athmane Tartag, a hardliner during the dark decade of the Islamist insurgency who previously served as a special presidential adviser to Mr Bouteflika. In January 2016, Mr Bouteflika dissolved the DRS entirely, replacing it with a new intelligence organ under the direct tutelage of the presidency. The latest move places all intelligence services under the presidency's command, and moves some key departments out of the orbit of the interior and defence departments.

It is clear that the president and those close to him are strengthening their networks in the intelligence services. The clan's control over the civilian political machine is uneven, however. It has a firm grip on the FLN through the party's secretary-general, Amar Saadani, who obtained that position thanks to some underhanded scheming by Said Bouteflika. But the same is not the case in the RND, the other ruling party, where Ahmed Ouyahia looks set to be re-elected to the leadership in May. Mr Ouyahia served as Mr Bouteflika's prime minister twice, most recently until 2012, and has also been seen as close to the DRS. Mr Saadani has had harsh words for him, and this tends to be read as a sign that Mr Ouyahia is outside the Bouteflika clan's control – he certainly seems to be planning a run for the presidency in 2019. But the RND is definitely the junior partner in the relationship, with 70 seats in the National People's Assembly to the FLN's 221, and it is possible for the FLN to make a legislative majority with some smaller parties (it needs only 11 votes from other parties to have a majority). This is one of the reasons why the FLN and the government have lately looked more accommodating of Algeria's current Islamist resurgence.

The FLN's power to make policy decisions means that Mr Saadani is a key figure to watch to gain some idea of probable future policy direction in Algeria. In this context, some of Mr Saadani's recent comments have provided interesting clues that the Bouteflika clan, with the help of its business networks, is preparing to make more liberalising changes to the economy as low energy prices put pressure on the old socialist model. In late March, as part of a tirade against the interventionist policies of Mohamed Laksaci, the governor of the central bank, Mr Saadani advocated that the banking sector be opened up to private enterprise. He has also called for more extensive private ownership in the agricultural sector.

Statements of this nature from the leader of the historically Statist - in fact downright Soviet - FLN are remarkable, and have caused much comment in Algeria. Some liberalisation of the policy space in the country would be very welcome indeed, and the current squeeze on the government imposed by low oil rents may make the change more urgent than it was before. But caution and skepticism are warranted, given the messenger and for whom he works. Mr Saadani's pronouncements in favour of more private enterprise in Algeria are almost certainly related to efforts to gain or retain the political support of important business networks, and there is every reason to expect that liberalisation, if it happens under the current government, will be a corrupt process of handing out licences to connected insiders - to return to the Russia metaphor, Algeria will look a little like Russia in the Yeltsin years. If this happens, then risk from popular opposition to the government and Islamist terrorism will remain unchanged at its current fairly elevated level.

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