

The Revolt of the Fearless Generation

June 24, 2019



When in early February Algeria's ailing octogenarian president Abdelaziz Bouteflika announced his intention to run for the presidency for a fifth term, millions of Algerians took to the streets in response. After weeks of rallies, Bouteflika was forced to resign on April 2, only to be replaced by a triad of government cronies: Abdelkader Bensalah as interim-president, Noureddine Bedoui as prime minister and Major General Ahmed Gaid Salah, who has emerged as the key power broker in the country.

Despite the arrests of two of the country's former prime ministers and several business leaders on corruption charges, the protests are continuing with protesters demanding a radical overhaul of the military-backed regime. Fresh elections that were originally planned for July 4, were postponed by the constitutional council in early June, allegedly due to a lack of candidates. The postponement of the elections was seen as a victory by the protesters, who feared that hastily organized elections in the short term would benefit the old powers and leave little opportunity for civic parties to prepare.

Leïla Ouitis, a feminist, housing activist and a French-Algerian teacher living in Seine-Saint-Denis, close to Paris, regularly travels to Algeria to visit her family. She has witnessed the protests first-hand, and in this three-part series she offers her reflections on the socio-economic roots of the popular uprising, the background of the different groups and individuals involved with the movement, and the role played by feminists and women's rights activists in the protests.

In this first part of the series, Ouitis looks at why Algeria remained relatively undisturbed during the Arab Spring that started in 2011, but is now — eight years later — rocked by some of the largest protests the country has witnessed in history.

Although Algeria shares similar characteristics with other countries in the region — massive unemployment among the youth, who account for half the population, polarization of job opportunities over just a few sectors, systemic corruption by clan-like oligarchies in a rent-seeking management of resources — we should be careful with the expression "Arab Spring," which has been used to describe the current uprising. Commentators tend to forget that it actually refers to a second wave of popular contestation in the Arab world.

The first wave occurred between 1985 and 1989; it began in Sudan and came to Algeria in 1988. Forgetting that first wave means omitting the specificity of Algerian history: 40 years of perestroika in the context of a rentier economy dependent on gas and oil. When Algeria gained independence, it chose the path of socialism, but despite the Algerian bourgeoisie's developmental projects — surely the most extensive in the region — the Algerian economy has remained totally dependent on hydrocarbon-generated wealth.

What would at first seem to be a source of wealth turns into the opposite: the so-called “Dutch disease,” which refers to the link between exporting natural resources and the decline of the local manufacturing industry. Increased export revenues lead to currency appreciation. In all other sectors, exports become less favorable than imports.

Algeria remains locked in a rent economy, completely dependent on hydrocarbons. Gas and petrol generate 95 percent of external revenue and 60 percent of the state budget, so any changes in the price of oil affects state revenue and the real economy. The country finds itself stuck in growth concentrated in few sectors: manufacturing industry is declining, as are formal occupations, which today account for less than 10 percent of jobs in the country. Manufacturing value added per capita is the lowest in the region and has been dropping since the 1990s. As a result, the employment rate is 40 percent, one of the lowest in the world. Rent allows for reductions in poverty during oil booms, but it does not improve the employment rate.

To keep the peace in this context, the state absolutely must provide support for basic necessities (flour, milk, oil) and it must tolerate the black market, the *trabendo*, which employs hundreds of thousands of youth. In general, when someone tells you they do not work, what that means is they are caught up in one form or another of informal business and related frauds.

From the Black Decade to the Black Spring

For nearly 40 years, the history of Algeria has been profoundly determined by the price of hydrocarbons. In the 1980s, Algeria began transitioning to a market economy, but in 1986, the price of oil collapsed. The state coffers ran dry as income inequality surged. The 1988 riots, savagely repressed, brought an end to the single-party system. Political Islam emerged as both an expression of marginalization and a way to manage and maintain social polarization.

One year after the 1991 military *coup d'état*, Algeria was in default and resorted to financial institutions that imposed a structural adjustment plan and new liberalization measures. Those 10 years of austerity devoted to paying off the debt were also the years of the decade-long civil war that left between 100,000 and 200,000 people dead.

During that *décennie noire* (the “Black Decade”), privatization continued in bouts of clientelism and corruption, allowing for the formation of a rentier oligarchy: state property was ceded to certain dignitaries, some of the public companies were privatized, the old state monopolies on foreign trade were destroyed and replaced with a system of agreements authorizing certain venders and wholesalers to import consumer goods and industrial material to sell back to the state. These monopolistic positions were adopted from within the state, allowing each group to collect a kingly rent. In this way, behind each fraction of the bourgeoisie specialized in this or that import sector, there was a multinational, a major capitalist state and a major Algerian bureaucrat and/or general. This is what is called “the system”: a mechanism supplied with oil revenues that flow into all the little hustles of the informal economy.

At the end of the Black Decade, the explosion in hydrocarbon prices as well as a policy of valuing natural resources following the opening to foreign direct investments (FDI) made it possible for

Algeria to stay on schedule and pay off its debt after 10 years of austerity. President Abdelaziz Bouteflika, who came to power at that time, had the advantage of full state coffers, which allowed him to launch a series of stimulus plans in the early 2000s and again with accelerating public investment programs between 2005 and 2009.

Compared to the civil war, Bouteflika's first four mandates seemed relatively peaceful. This, however, would be forgetting all the regional struggles of the 2000s: the Black Spring of 2001 in Kabylie; the 2003 "movement of the children of the south for justice," whose members were reduced to silence and terrorism; the struggles of the Mozabite minority; the struggles of the unemployed since 2011, notably those of the Ouargla activists who have suffered police and legal repression for years; the resistance in Adrar and Béchar; and the protests of In Salah locals against fracking.

So actually, over the last 20 years, Algeria has seen myriad struggles and dissent, but these fights have not yet converged. Still, despite the repression, there have been some victories. In 2010 alone, the national military counted 11,500 riots, public demonstrations or gatherings throughout the whole country. These riotous contestations play an almost natural role in the forms of rent negotiation and redistribution as they are both repressed and implicitly accepted by the state. The class struggle is expressed in a rather clear way for everyone involved, and you could say that the power relations are laid bare: given all the money here from gas and petrol, everyone should be rich, were it not for the system hoarding so much of the wealth.

A New Generation

In this context, the riots in the winter of 2011 decidedly resonated with the international situation and the Arab Spring, but their frame of reference, if not origin, was the attempt of a fraction of the state's liberal bourgeoisie to limit the informal economy. Indeed, since the mid-2000s, the boom in oil prices has reinforced a bourgeoisie made up of private entrepreneurs working in construction and industry, making it more rebellious in its confrontations with a bureaucratic bourgeoisie that maintains control of administrative authorizations; with what Algerians call the "system."

In reaction to measures to control and tax a portion of the informal economy, the barons of the black market immediately included the new value-added tax (VAT) in their prices. The price of basic necessities (notably oil and sugar) exploded, instantly ruining thousands of youths working in the informal economy. Riots spread like wildfire. With the help of the international community, the Algerian government, which in 2011 still possessed an enormous amount of foreign currency reserves, immediately lifted its measures and released several billions in social aid: raising salaries and offering a series of micro-credit initiatives.

So what changed in 2019, eight years later? First, generational renewal. The population is exploding. And this new generation is experiencing what has been called the exhaustion of a dual rent system based on political and oil rents. Algeria is a very young country, with nearly half the population under the age of 25. During the civil war, people put off having children and the birth rate practically doubled after the Black Decade. The increase in oil prices during the 2000s allowed for home construction and rising salaries. The fertility rate reached 3.1 births per woman in 2015.

In addition, this new generation is not afraid like the previous one. The attempts by those in power to instrumentalize the specter of civil war no longer work on the younger generations: at the beginning of the demonstrations we saw people over the age of 40 crying with emotion. As Adlène Meddi aptly put it, "Our generation was too traumatized by those years of civil war to dare to go out and protest. And then we saw all these young people in the streets. ... We felt so old, but we were so happy!"

This generation, who grew up knowing only Bouteflika, is today old enough to demonstrate. In Meddi's telling, the humiliation of having a bedridden president was the trigger, but it quickly became obvious that they were not protesting against a man, they were protesting against a "system that wants to survive on the back of a living corpse." In fact, since independence, all the presidents of the republic come from the "November generation" of 1954 — the start of Algeria's war of independence — which has until now been the foundation of all political legitimacy in Algeria.

Any conflict between successive governments was immediately associated with the war of national revolution. But this is over now. That generation is coming to its end: Bouteflika was practically the last survivor of that generation of combatants, apart from Ahmed Gaid Salah, head of the Algerian army. It is the end of political rent.

Also, this new generation is the most educated in Algerian history, with more women than men in higher education. Despite the deterioration in the quality of education and health — the privatization of both has been constant — the oil boom of the 2000s has nevertheless made possible an increase in spending in these domains. Today there are over 1.8 million students. We are talking about a youth population that cannot afford to travel but reads the news and is very active on social networks. So the situation is very different from the one in 1988 when the coffers were empty. At that time, when young people from poor neighborhoods and workers from large metro areas rioted, they were fiercely repressed.

Now, the social bases of the revolt have expanded, and the popular movement, the *hirak*, includes both the middle classes and part of the bourgeoisie. On this point, there are effectively quite a few aspects in common with the Arab Spring, which likewise came into existence after periods of improvement.

The presence of the middle classes gives a very political, civic dynamic to the movement. It is not about a revolution in the way a leftist would use the term. For the moment, it is much more a gigantic interclassist movement of the radical democratic sort.

Next Step: Demanding Bread?

Even if what triggered the *hirak* is not immediately connected to the economic situation, the economy has always been of central importance. The demographic boom of 2000 has encountered the progressive exhaustion of the oil rent. The new generation has been hit with a rate of structural unemployment and a slow but steady pauperization that also affects the middle classes. Since 2014, oil prices have again sharply declined (~65 percent for Brent between July 2014 and February 2016).

The Algerian state is no longer in the financial position to buy social peace. The foreign currency reserves have dwindled from \$200 billion in 2014 to just \$95 billion in 2016. And in 2015, unemployment hit a new high, further limiting the prospects of young people. The term *dégoutage* has resurfaced in daily language to express disgust and frustration with poor living conditions. Inequality between regions has deepened with major difficulties in the interior where the unemployment rate can reach 60-70 percent.

Hundreds of thousands of youth are stuck where they live, in the less developed mountains, countryside or urban zones, because the exorbitant cost of housing, especially in Algiers, prevents them from working in the cities where jobs might be had.

In these conditions, as was pointed out in *Le Monde*, Algeriens have started to leave their country again: both legal and illegal emigration is on the rise. As far as legal migration is concerned, we are

observing a very significant brain drain, including youths who have completed their studies. Nonetheless, they have little illusions about the possibility of finding a qualified job in France. With regards to illegal migration, Kouceila Zerguine, lawyer of the Collective of families of disappeared *harragas* — undocumented migrants — has remarked that “since a year or two, there are young women but also entire families who are leaving, whereas previously it was mainly men who left by sea”. There are even minors among them. It is a both a social and a global tragedy.

In short, for the moment, we are still looking at a large-scale movement that is very political, interclassist, against corruption and for a reform of the state that would give each social segment its say in proportion to its role in the society. But inflation continues to rise (4.3 percent in 2018, 5.6 percent in 2019, projected at 6.7 percent in 2020). The middle classes and the proletariat keep growing poorer. If images of dancers continue to appear, along with pretty signs demanding “freedom and democracy,” then in three or four years, we could very well expect to see signs demanding bread.

Originally posted at ROAR magazine.