Introduction

When the Arab Spring began in Tunisia, events there had immediate reverberations on neighbouring Algeria, as scholars enthused about the prospect of civil society-driven democratization. However, the Algerian public and ruling elites were much more sceptical about the unfolding events. Two factors indicated that change would not come quickly to Algeria: the legacy of the civil war of the 1990s and the availability of revenues from natural resources that could be used to buy off potential dissent (Volpi 2013).

How the Algerian ruling elites employ oil and gas rents to control society has been explored in several studies over the course of three decades (Garon 1994; Entelis 1999; Aissaoui 2001; Darbouche 2011). The policy of control has also had unintended consequences that have
made decisions about the use, distribution and effects of rents controversial topics of public discussion. This chapter focuses on a different, but relevant, expression of civil engagement far from the mainstream understanding of civil society as being synonymous with NGOs. This is in line with recent findings in Middle East Studies which, after the uprisings, have called for a broadening of the understanding of ‘civil activism’ to include apparently non-political activities that nevertheless contribute to putting the spotlight on governmental choices and policies (Aarts and Cavatorta 2013). Civil engagement in Algeria represents a clear example of ‘upgrading authoritarianism’: the ability of incumbent regimes to implement liberalizing measures without genuinely democratizing (Heydemann 2007; see also Overland 2012). Such upgraded authoritarianism entails unintended consequences that need to be taken into consideration, particularly in light of their longer-term transformative potential.

This chapter begins by briefly reviewing the constraints on civil activism and engagement in the country. It then turns to the views voiced by the public concerning how natural resources are managed in Algeria. Here we distinguish between government institutions, political parties, research institutes, media, and finally citizen mobilization. In a setting where civil society and public debate are controlled, different types of mobilization function as ‘venues’ where members of the public can express their views. For analytical purposes, we will distinguish between violent and non-violent mobilization. Finally, we discuss the implications of the analysis for the future of state–society relations in Algeria as regards the issue of hydrocarbons.

**Civil Engagement Under Authoritarian Constraints in Algeria and the Role of Natural Resources**

Algeria’s civil society is a clear example of the difference between civil activism and genuine pluralism (Jamal 2007). The country presents an apparently lively civil society—the official number of national associations
stands at 1027 and the number of local associations is over 92,000 (ICNL 2014). There is a considerable degree of associational life with advocacy groups working on human-rights-related issues, active in the charity sector as partners in the development of public policies and generally scrutinizing the authorities. In addition, the Algerian press is freer than in most other Arab countries, although it still scores poorly on the freedom of the press index (Reporters and Frontiers 2014). Finally, there is a pluralistic party system with parties of all ideological persuasions competing in regular elections.

On the other hand, Algeria also has a stagnant authoritarian political system with a high level of corruption (Transparency International 2014). The president has modified the constitution twice in order to be re-elected and non-elected members of the intelligentsia and security services dominate policymaking. Moreover, the powerful repressive apparatus has been reinforced with the hiring of new policemen and security agents, made possible by the boom in oil and gas revenues. Thus, as Amnesty International (2014) concludes:

[D]espite emergency law having been lifted in 2011, freedom of expression, association and assembly are still restricted. Although Algeria is an oil producer, social and economic problems continue to plague the country and are enhanced by corruption, increasing living costs, high unemployment and housing crisis.

According to the International Centre for Not-for-Profit Law, while civil society organizations exist in significant numbers, ‘the new Law on Associations of 2012 created additional restrictions on the freedom of association, and generally fails to protect the right in line with Algeria’s international obligations’ (ICNL 2014). Furthermore, as former Minister of Communication and Government Spokesperson Abdelaziz Rahabi has argued, ‘today’s civil society … is the direct emanation of the state. It does not have any critical stance when it comes to government policy’ (Imadalou 2015). Finally, there is very little meaningful political participation in elections because they are believed to be of no real consequence. Unsurprisingly, some scholars refer to Algeria as a ‘bunker state’ where all important decisions are the out-
come of shady processes of intra-elite negotiations—between generals, intelligence officers, high-ranking bureaucrats and key politicians—without meaningful influence from political parties or civil society organizations (Henry 2004).

The capability of the Algerian regime to tolerate civil society while disempowering it is related to the role that natural resources play in strengthening the ruling elite and upholding the status quo. The availability of hydrocarbon rents makes possible the control of shifting balances of power in society and rewarding some social groups to the detriment of others (Haddad 2011; Achcar 2013). A major problem is that the way in which the revenues are distributed is entirely opaque. Societal and political actors, such as business associations, trade unions or established political parties, are often reluctant to speak out—either because they fear repression or because they also derive benefits from the redistribution of hydrocarbon revenues. A 2014 article in the newspaper *El Watan* underlined how business associations, traditionally seen as crucial actors in promoting political transparency, had in fact sided with the regime from the early 2000s to the present day:

[T]he FCE (Forum of CEOs) headed by Redha Hamiani supported all of Bouteflika’s decisions. He even supported Bouteflika’s candidacy in the 2004 and 2008 presidential elections. All of the other business associations followed the FCE on this. There has been very little criticism of economic policy during the last fifteen years. Algerian business leaders have been incapable, during this time, to develop a powerful advocacy role and have refused to adopt a discourse that opposes the decisions made and proposes alternatives. (*El Watan* 2014)

There is therefore very little advocacy in oil politics in Algeria, even though the people are aware that revenues are misspent or misappropriated.

However, despite the strength of the mechanisms of co-optation and repression, public opinion is far from subservient. While dissenting or critical opinions have not yet led to attempts at removing the current regime, they highlight the existence of a fragile but important plurality of voices on how oil and gas rents should be managed.
Public Opinion and the Natural Resources Industry: Dissonant Voices

In Algeria, discordant voices about governance-related issues have emerged from time to time despite the heavy-handed nature of Algerian authoritarianism. As the French-Algerian scholar Amel Boubekeur (2014) has observed:

[The absence of] an Arab Spring-style uprising against Bouteflika in 2011 does not mean that contestation has disappeared. Disillusioned Algerians reject the binary opposition of revolution or pseudo-democracy. They are increasingly resorting to demonstrations, riots, sit-ins, protest marches, uprisings, strikes, hunger strikes, and even self-immolations; in so doing they are aiming less to overthrow the regime than to create leverage for negotiations.

The clientelistic nature of redistribution creates discontents, which can then adopt various forms of engagement to debate how the hydrocarbons sector should be managed, how the money should be spent, as well as the consequences—economic, political or societal—of relying on such an industry. Although these forms of engagement have not turned into coordinated campaigns for political change at the national level, there are numerous loci of discussion—and even revolt—with which the regime must contend (Dahou 2015).

Research Institutes, Political Parties and Organizations and the Hydrocarbons Sector

Although certain quarters have questioned the genuine autonomy of the research institutes that are part of public discussion about the state and future of the country, some of these think-tanks have begun to affect the way in which economic and political elites reflect on policymaking. NABNI is a think-tank founded in 2011 with the purpose of ‘beginning a new era between government policy-making and its relations to citizens
with a view to implement the rule of law’ (NABNI 2015e). While the bulk of the institute’s work involves promoting political reforms to enhance democracy and individual freedoms, it also takes up issues related to economic policymaking because it wants to promote a type of economic development ‘disconnected from hydrocarbons rents’ (NABNI 2015e). NABNI is active in promoting its own positions in the public domain through conferences and other open events that provide credibility and visibility. NABNI’s work is given significant coverage in the Huffington Post Algeria and other media outlets. In February 2015, NABNI published a policy report in the national press denouncing the lack of proper governmental reactions to the falling oil price:

[T]he status quo is no longer tenable. The FRR – Fonds de Régulation des Recettes [sovereign wealth fund] will dry out around 2017 … the currency reserves as well. The balance of payment has been negative since 2014 and all efforts at economic diversification have failed. The business climate has been deteriorating rapidly and foreign investments are in decline. In addition, it is likely that by 2020 there will be no gas left to export. (NABNI 2015a)

The NABNI report follows up this criticism of government policy and the inability of the ruling elites to think differently about oil and gas rents with its own plan for how Algeria should react and the types of policies it should adopt with a view to long-term development (NABNI 2015b).

A crucial issue in this action plan is management of the sovereign wealth fund, created in 2000 to manage the surplus derived from the export of oil and gas. In particular, NABNI advises the government to put to use the money amassed in the sovereign wealth fund, rather than saving it. In a context where the oil price continues to fall, but the sovereign wealth fund is still in good shape, the government’s reaction has been to stop investing sovereign wealth fund money, in order to make savings. That is what NABNI criticizes (NABNI 2015c):

[T]his is precisely the mistake made in 1985: public investments were halted, consumption and redistribution were paid for by contracting debt and reforms were delayed. It was the easy thing to do: delay the shock through a reduction in expenses while leaving the rentier system untouched.
On the contrary, according to NABNI, ‘it is important to identify the necessary short-term reforms to enable the country to create the conditions for exiting the rentier system’ (NABNI 2015c). Proposed reforms include decreasing the fiscal burden on private companies in order to attract FDI, reducing state support to public institutions and private enterprises to increase their activity and value on the market, and reducing public subsidies for energy prices and consumption (NABNI 2015d).

Another think-tank particularly active in proposing alternative economic policies to those currently in place is the Cercle d’action et de réflexion autour de l’entreprise (CARE). It organizes public events, discussing the transformation of the Algerian economy to make it less dependent on the energy market through use of the surplus created by that same market. In particular, as pointed out by Abdeldjellil Bouzidi, lecturer at la Sorbonne Nouvelle invited to Algiers for a debate on the Algerian sovereign wealth fund, the surplus accumulated should be used to stimulate private, innovative and competitive enterprises, to enable a deep-going reform of the whole national economic system (CARE 2015). In April 2015, CARE organized another public conference in Algiers focusing on public–private partnerships as a potential solution to declining state revenues due to decreasing oil prices (CARE 2015).

However, the state and its budget seem to be differently oriented. The 2015 budget, for instance, anticipated USD 110 billion in spending, of which more than half would be used to cover expenses for running public institutions, a cost that is rising quickly. From 2014 to 2015, public expenditure rose by 14% (Taleb 2014). This expenditure is financed mainly by the sovereign wealth fund. Against this backdrop, NABNI has expressed its disillusionment with a budget law that has failed to break with the past, and has denounced the government for perpetuating an economic model based on a rentier economy instead of engaging in the changes that would allow Algeria to disentangle itself from such a rentier system. In a declaration released in April 2015, NABNI called on the government to ‘free the economy from the dependency on rents in order to finally break with the rentier excesses that fuel an ephemeral wealth’ (Rondeleux 2014).

Think-tanks proposing neo-liberal reforms and cuts to public expenditure are not alone in voicing concerns and discontent with the man-
agement of the sovereign wealth fund. The economic reforms proposed by both NABNI and CARE are very much in line with the ‘structural reforms’ promoted by international financial organizations such as the World Bank. Also political parties have criticized the government—especially over issues of transparency. On the occasion of the presentation of the 2014 budgetary law and the parliamentary discussions on it, deputies of the Front des Forces Socialistes (FFS), a social-democratic party and the second largest opposition party in the parliament, demanded that the government report on the opaque management of the sovereign wealth fund. In particular, the government should detail how funds of the sovereign wealth fund have been included in the annual financial bill (budget law) and how they have been spent. According to the deputies, it was not clear how that money had been invested (Le Soir d’Algérie 2014).

In addition to political parties, state institutions have begun to voice their opinion on the management of Algeria’s economy and, consequently, oil and gas rents. While such institutions do not necessarily fall into the category of ‘civil society organizations’, their public interventions are important insofar as they indicate that there is some debate around this issue, also within the ruling elites. While the regime has been able to ignore demands for radical change coming from outside its own ranks, diverging opinions exist within the elite itself on the possible impact of falling oil prices on the broader national economic system.

In December 2014, the governor of the Central Bank, Mohamed Laksaci, transmitted a message to the parliament that diverged from the government’s official position on the presumed capacity of the sovereign wealth fund to cover the state deficit. The oil-price collapse in 2014–2016 limited the availability of a rent surplus, opening a new scenario in which an entirely new economic plan would be needed (Huff Post Maghreb 2014). Mohamed-Seghir Babès, president of the Conseil National Économique et Social (CNES, a permanent administrative body of the state) also voiced similar concerns and called for a reduction in public subsidies and in favour of a better planned, better targeted subsidy reform which could reach those who are really in need of state support (Huff Post Maghreb 2014). Even within the government, this view would find sup-
porters. As reported in the political magazine *Jeune Afrique*, former Minister of Finance Abdellatif Benachenhou does not endorse the views of President Bouteflika regarding economic policy (Alilat 2015).

Such discussions have been going on for several years, with media, opinion-makers and state institutions debating the management of the sovereign wealth fund and the need to reduce state dependence on oil and gas rents. A serious political confrontation that crystallized this debate occurred during the parliamentary debates on the 2015 financial bill. One-third of the national assembly boycotted the debate on the financial bill, dissatisfied with how the government had ignored the views of opposition parties that had called for tighter control over the use of funds from the sovereign wealth fund to cover state expenses. For instance, Yahia Bouklal (Front des Forces Socialistes, FFS) declared that ‘what is really worrying is that the deficit persists’ and then asked rhetorically: ‘when will the FRR [sovereign wealth fund] be drained?’ The Rassemblement National Démocratique party also called for a rethinking of public expenses (Algerie Press Service 2015). Despite the intensity of the parliamentary confrontation, the law was approved in November 2014. The journalist Cherif Ali (2015), writing in the daily *Le Matin*, put forth the hypothesis that an agreement between the government and members of parliament, including opposition deputies, had been struck to secure approval of the budget. Indeed, before voting on the budget, deputies had voted for an increase in their pensions and the possibility to access funding and accommodation at privileged rates and with no taxation. According to Ali, that was merely the most recent case demonstrating the unaccountability of the elected representatives.

This type of reporting and criticism of the political system is widespread in Algeria, largely because the security services do not seem to consider it particularly dangerous, as few people read the newspapers or are very interested in politics. Moreover, most members of the public are already fully aware of the shortcomings of the system. Still, when research institutes, key figures within the establishment and journalists debate and/or cover issues related to economic policymaking and, notably, dependence on oil and gas, their arguments do have an impact on public opinion.
Mobilization of Citizens

In such a context, it is not surprising that diverse citizens’ initiatives have been increasingly evident in public life. Civil activism includes more than the lobbying activities of NGOs, research institutes and political parties as described above. In fact, ordinary members of the public have been mobilizing for some time through increasingly radical and confrontational means.

In January 2013, the Algerian government authorized the exploitation of shale gas in order to increase revenues from the hydrocarbons sector. This happened in a very opaque manner, with no public debate, and the potential negative aspects of such a decision were not openly discussed (Hamouchene et al. 2013). By 2014, the plan for exploiting Algerian shale gas succeeded in attracting the interest of some of the world’s major oil and gas companies, including Eni, ExxonMobil, GDF Suez and Total. In 2014, Algeria announced plans for USD 70 billion in investments in shale-gas extraction, as prices for the country’s main export, crude oil, fell to a 6-year low and demand for gas in Europe, Algeria’s largest client, significantly dropped. In early July 2014, the government announced the drilling of four shale-gas wells in the Illizi Basin (in southeastern Algeria) and the Ahnet Basin (in southwestern Algeria) by the end of the year (Nield 2014).

The project drew criticism from the start, for several reasons. First, it appears that only a small proportion of the field is likely to prove commercially viable. Industry expert and former senior official at the energy ministry, Ali Kefaifi, estimated in 2014 that out of 20 trillion cubic metres of recoverable shale-gas reserves, only 2–4 trillion cubic metres would be commercially viable (The Economist 2014). Second, there are several issues concerning the logistical infrastructure necessary for exploiting the reserves, extending the web of wells that would need to be drilled. This investment might also prove misplaced: uncertain gas prices might not justify the investment; with the recent discovery of several gas fields in the Eastern Mediterranean and Tanzania, gas prices could become significantly lower (Nakhle 2015). Finally, fracking and shale-gas extraction have significant environmental costs (Overland 2015). The chemicals that are used in the process could have a polluting effect on aquifers. Additionally, the use of large volumes of water is
essential to the extraction process—a point of great concern to many Algerians, who already have limited access to water and who see this technique as a waste of a precious resource. Algeria’s independent media and members of the opposition have highlighted the financial and environmental risks involved, and this aspect has been crucial in motivating the protest movement that has been taking shape in the country.

In many ways, popular mobilization in southern Algeria against the development of shale gas represents a first in the country’s political history: traditional channels of communication with decision-makers in the capital have been bypassed in favour of direct action. This is particularly the case in Ain Salah, a town close to the proposed test-drilling sites. In December 2014, when the government announced the drilling of the first shale-gas well in the town, with no prior notice, protests broke out in the nearby communities of Ouargla, Illizi, Ghardaïa, Timimoun, Adrar, Bordj Badji Mokhtar, Oum El Bouaghi, Bejaia, Ain Beida and Ain Salah itself. In solidarity with protestors in Algeria, migrants and diaspora communities mobilized in Europe as well (Platform London 2013). In addition, Algerian communities suffering from the negative environmental and social effects of the existing hydrocarbon industry started organizing to put pressure on the authorities to address these issues, linking them with the newer protests against proposed fracking. For instance, a plea for a moratorium on fracking, signed by members of the anti-fracking group ‘Non aux Gaz de Schiste’, was submitted to the president on 19 February 2015. The journalist Rachida Larmi (2015) commented:

The plea was more of a dossier than an open citizens’ letter, containing precise and informed data, overwhelming evidence in photographs proving existing pollution affecting the health of the indigenous population and local environment, and major failures in post-drilling protocols through blatant and total disregard of health and environmental regulations.

According to Yaqin Husamuddin (2015), an Algerian journalist, the protest movement against shale gas shows that something has changed in the self-perception of the people of southern Algeria. He
highlights two main factors: the boom in Algerian independent media outlets and social networking sites, which have helped to unveil the misdeeds of the authorities and make it possible for people to connect with each other, especially in areas under-represented in the mainstream media, and the rapid rise in educational levels, especially in southern Algeria.

Although these protests have taken place mainly in the southern part of the country, they represent a concern for the national authorities: not only might they exacerbate the north–south divide, but they might also drive broader criticism against the government, with demands for more transparent energy policies. An article by Nidam Abdi (2015) for the French online news service *Les Echos* observed that in Ain Salah, ‘the movement created in opposition to the exploitation of shale gas is a political earthquake in a country used to see hydrocarbons politics made exclusively by and for the ruling elites and its clients in industry’. In fact, apart from environmental concerns and possible anti-colonial feelings (the major exploiter is the French company Total, and in France fracking methods have been banned due to environmental concerns), there is also resentment against the north and the management of the revenue generated by natural resources. Local residents have declared, ‘the south has the cow but the north has the milk’, revealing deep discontent over the absence of genuine wealth redistribution (Gall 2015). As Ghilès (2015) put it, ‘what Algerians are debating is the quality of governance, the accountability of those who run Algeria and the transparency of official policy’.

Southern Algeria has been seen by the northern part of the country as a mere reservoir of natural resources, and lack of consideration for those living in the south has resulted in a lack of investment in southern cities, where infrastructure has remained underdeveloped. As reported by the Middle Eastern online news service *Al Monitor*, a member of the environmental committee in Ain Salah told the daily *El Watan* in January 2015: ‘we neither benefited from traditional gas nor from petrol proceeds. Shale gas will deprive us of the little good that we have left’, namely, the water underground and the possibility of continuing with desert agriculture (Tamlali 2015).
Despite the protests, the government decided to carry on with the shale-gas project, once again highlighting the limits of civil activism in what remains an authoritarian country. The only thing the protesters achieved was that the Prime Minister Sellal announced that the plan would apparently not be implemented until 2022 (Middle East Eye Staff 2015). The protests in the south are important also because they complement the engagement of more formal institutions and civil society actors in hydrocarbons policy in the country. However, the resilience of the country’s authoritarian system does not seem to permit the radical change that such actors demand, and that is necessary to lift the vast majority of Algerians out of poverty and social disenfranchisement.

On the other hand, the absence of change can make the mobilization of the general public, which has remained largely peaceful thus far, more violent. For instance, the Algerian security forces intervened forcefully against members of the public who got close to an industrial facility owned by Halliburton to protest against drilling for shale gas (Gall 2015). More significantly, there was the case of the 2013 attack on the Tiguentourine gas facility, in the region of In Amenas in southeastern Algeria. The attack, followed by a hostage crisis during which some 40 people were killed—including several foreign oil company staff—was carried out by Mokhtar Belmokhtar’s al Qaeda in the Maghreb, in collaboration with local groups like Lamine Bencheneb’s Sons of Sahara for Islamic Justice. The Algerian military guarded the Tiguentourine plant, a joint venture between BP, Sonatrach and Statoil, accounting for 10% of Algeria’s natural gas production and generating revenues of approximately USD 5 million per day (Armstrong 2014). According to the Algerian journalist Yassin Tamlali (2015), this episode of violence is not disconnected from the political repression and material deprivation experienced in the south. Little oil revenue reaches this region, and political control is tight because of fears of unrest, to which the jihadist threat has now been added. Hannah Armstrong (2014), research fellow at the Institute of Current World Affairs, has advanced a similar view. She notes how the anti-fracking protest movement in the south of Algeria has remained peaceful despite repression and how harsh living conditions are for the local Saharans. For this
reason, stifling a peaceful movement demanding financial transparency, environmental protection and sound economic management entails considerable risks.

Conclusions

It would be difficult to argue that petroleum policymaking in Algeria is subject to extensive scrutiny on the part of social and civil actors, as the country exhibits all the features of a classic authoritarian rentier state (Luciani and Beblawi 1987). Decision-making processes on hydrocarbons policy and the distribution of rents remain non-transparent, and even elected representatives are excluded from the decision-making process. At the same time, there are rising demands for greater participation in the opaque decision-making process because of the importance of oil and gas policy to society. Although they do not determine petroleum policy, Algeria’s civil society actors are increasingly capable of exerting some influence by employing a range of methods. Research institutes put forward alternative policy proposals through the media and organize activities such as public conferences, in the hope that a better-informed public and policymakers may improve the situation. Some political parties and individuals within key institutions like the Central Bank appear to recognize the need for an overhaul of hydrocarbons policy and have started advancing their views more forcefully. However, pressure is coming not only from more established actors and entities: citizen mobilization is also increasingly significant. In particular, environmental and economic concerns over the exploitation of shale gas have fuelled protests across southern Algeria. While the government seems bent on refusing to engage, there is concern that the protests might get out of hand and turn violent.

Like several Arab Gulf states, Algeria has managed to avoid the Arab Spring because of its ability to turn on the revenue tap and the effectiveness of the security services in suppressing dissent. But employing rents to secure regime survival is not a long-term solution. Civil society actors offer criticism and alternatives that might provide for better manage-
ment of the country’s hydrocarbon revenues. If they were to gain more visibility and credibility, that would put them on a collision course with the authorities.

References


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