

# Algeria: Using its Resources to Define the Future

*Henry S. Ensher*

United States Ambassador to Algeria

When asked about the effects of the Arab Spring on their country, Algerians tend to say that they knew the nearby revolutions would be dangerous to them, and point to extremist takeover and foreign intervention in northern Mali and the terrorist attack at In Amenas. Looking further back, they will say that Algeria had its own political spring in the late 1980s, but it led straight to the terrorist violence of the 1990s that resulted in the deaths, they say, of 200,000 Algerians, a decade of development and progress lost and psychological damage and divisions in their society. Algerians point to three troubling developments from recent events in their region: the rise of extremist forces to political power in their region, the trafficking of large numbers of weapons from Libya and the chaos of northern Mali, leading to foreign military intervention, which Algerians find deeply troubling, given their own history as a colonized people.

Despite this concern about the uncertainties of political change, Algerians have long recognized that their country needs reform if it is to reach the potential indicated by its natural resource base and large and relatively well-educated population. Algerians know that their country is oil rich and has hundreds of billions of dollars in foreign reserves. They are quick to demand better social services and salaries for the large public sector as well as infrastructure in line with the type of country they think Algeria ought to be.

The conflicting desire for change and nervousness about its outcomes, as well as a sense that a few well placed Algerians benefit disproportionately from their country's wealth and high unemployment among youth, explain the short season of demonstrations that occurred in January and February of 2011. The demonstrators never coalesced into a nationwide political movement aimed at toppling the regime and, the now three-term president Abd al Aziz Bouteflika is relatively popular, because of his leadership in ending the violence of the 1990s and his reputation for personal honesty.

The President's response to the unrest of early 2011 was to rapidly increase subsidies on basic goods and to begin a reform process designed to lead to greater freedom of association and expression, as well as an opening of the system to a broader range of political parties. Two years later, results are limited: with new legislation now on the books, some argue that NGOs are more tightly controlled, especially in their relations with foreigners, and new TV stations have to be formally headquartered offshore, although production occurs in Algeria. Parliamentary elections in May 2012, which foreign observers said reflected voter preference, without systemic fraud, increased the representation of the historic revolutionary party, the Front for National Liberation (FLN) over the Islamist parties which had been expected to do better. As always in Algeria, explanations abound: One assessment holds that Algerians still mostly blame Islamists for the horrors of the 1990s. That dominant narrative and regional events, which Algerians tend to assess as Islamists exploiting instability in neighboring countries to take power, led

to a decline in Islamist political support, even though many Algerians say that signs of overt piety are increasing in their society. Other Algerian experts cite the government's ability to turn out a massive security forces vote for the FLN as being the decisive factor in the parliamentary election.

Maneuvers within and among political parties and representation in Algeria's parliament are not as relevant to Algeria's future as its economic policy. Unemployment, particularly among young men, is very high, lack of affordable housing is a serious social problem and strikes and other employment actions happen frequently. Algeria's policy-makers experimented with more market oriented policies in the middle of the last decade, but quickly retreated to the familiar statist and rentier orientation Algeria has pursued since independence. Algeria's considerable hydrocarbon reserves, which almost certainly include massive amounts of shale gas, allow it the luxury to pursue policies aimed at stability, rather than growth and its cash reserves have allowed the government to build some social housing, improve infrastructure and offer significant salary increases and other cash payouts to key segments of the population. It is not clear that such tactics present an effective long-term approach to the demographic reality that about 70 percent of Algerians are 35 years of age or younger and more connected to the rest of the world than ever before.

Given Algeria's natural and human resources, as well as the President's indications that he and the rest of his revolutionary generation are moving toward handing over power to a new generation of leadership, it is most probable that Algeria will continue on its path of slow, episodic change that will produce stability and some economic progress for the majority of its people. During President Bouteflika's terms in office, there have been significant improvements in infrastructure across the country as well as the availability of both publicly and privately provided goods and services. The best bet is that progress will continue. If economic policies were to change, for example to allow the World Trade Organization membership that Algeria says it wants, this trend could easily accelerate.

Beyond its own economic policies and political dynamic, Algeria's future will be affected by its response to a deteriorating strategic situation, particularly to its south. Huge spaces bordering Algeria are uncontrolled by any government and have become a sanctuary for terrorist groups and organized crime, especially drug traffickers.

Algeria's response has been to assert a policy very similar to regional and international partners: support for the re-establishment of constitutional government and support for the efforts of such a government to gain control of northern Mali. Algeria has supported the efforts of the Bamako government to regain control of its northern territory and has sought to use its influence with northern Malians, especially the Tuareg tribes, to reject the presence of al-Qaeda in their midst. The attack at In Amenas has caused the Algerians to re-assess their relations with some of these groups and individual leaders and countenance the use of force, even by outsiders, against the terrorists and their supporters.

Algeria is looking to replay its historical mediation role in resolving disputes between Tuareg groups and between them and the central government in Bamako. Algeria's

own security is directly implicated by this situation, since it has its own Tuareg population, centered in the south, which also holds Algeria's hydrocarbon reserves. Algeria's wealth, strong security services and political stability suit it well to play a leadership role in securing the Sahel, but to do so most effectively, Algeria will have to square current strategic realities with its strict historical principles of non-intervention and respect for sovereignty.

More than any other factor, Algeria's security and its future will be determined by its ability to create economic and political space for its youth to unleash their dynamism, intelligence, work ethic and increased connectivity to the world to better themselves and their country. Their political opinions are very diverse, but they seem united in the sense that their country is not maximizing either its potential or theirs. They are increasingly involved in programs of international exchange and more importantly in developing associations among themselves, sometimes under government auspices, but frequently on their own, even while largely rejecting the existing political parties as a vehicle for their ambitions. One example of their ability is the huge progress they have made in the last decade in learning the English language. Relying mostly on various forms of media to get the basics, Algerian youth are now oversubscribing the few English language options available to them, whether in private schools, their own universities or even Embassy programs. Their success in these programs is a good indicator of what they can do when their self interest is engaged and they can see a clear purpose for hard work.

Spending time with Algerian young people invariably increases optimism about the country's future. With the new generation moving toward center stage, Algeria's prospects seem bright. Likewise, Algerian-American relations have made significant progress over the last decade. With the new generation, we have developed unprecedented connections between our two peoples and we expect that our relations across all forms of cooperation, especially in education and other cultural activities, will only continue to grow.