

# Just What is Happening In Algeria?

**The assassination of the Algerian chief of national police Colonel Ali Tounsi coincides with the standoff between the Turkish Government and the military establishment. In Algeria, a conflict of similar colouring has been underway for several months.**

The spectacular decapitation of the top management of the Algerian state oil company Sonatrach six weeks ago has shocked the world economic circles and convinced all those familiar with Algerian affairs that the war of clans for power and influence has taken a serious turn. Indeed, the news first reported by El Watan (Algerian daily of wide circulation) that the military Intelligence and Security Department (DRS) has launched a probe in corruption allegations related to the regularity of the awarding of major energy projects contracts has led in its initial phase to placing Sonatrach's CEO, three of the four of the vice-Presidents, two of the CEO's sons, the son of the former director of a states bank and number of other third-level managers within the company under judicial supervision and custody. In brief, Sonatrach, whose revenues account for 98% of Algeria's exports and hence hard currency has been decapitated overnight to say the least, while the fourth remaining vice-President has been 'spared' it seems to run the company in the mean time. For the DRS to resort to such a bold measure it is clear that things have gone really bad between the two classic clans of Algeria's ruling establishment, namely, the presidency civilian facade and the military represented by its intelligence branch the DRS.

This has been a classic phenomenon of Algeria's ruling establishment modus operandi since the first multiparty parliamentary election results were scraped in January 1992 and the President Chaldi Ben Djedid was shown the door. Sonatrach is more than an energy company; it is indeed the state. If the military 'institution' is the state's backbone, Sonatrach is its blood and vital lifeline with the international community. Sonatrach is the sacred cow of the regime, all differences and disagreements have always spared it. For the DRS to dare to decimate Sonatrach's management down to third level at once means that they wanted to send a strong signal to the other clan about who is really in charge. By breaching the consensus and touching the sacred cow, the DRS wanted to say publicly to the President's clan that they really meant business. This came as a surprise to even those familiar with Algerian affairs in that the forced amendment of the Constitution through the Parliament late 2008, which removed the clause restricting the Presidential terms to two only and paved the way for Bouteflika's re-election for a third term last April 2009 was obviously the result of a green light from the military establishment. So what has changed so gravely to upset the deal passed a year ago and end the honeymoon between the presidency and the military?

Following the 'resignation' of Chadli in January 1992, General Larbi Belkheir, Algeria's cardinal as he was called, declared the state of emergency and had the smart tactic to resurrect Mohammed Boudiaf (a historic leader of the Algerian war of liberation exiled in Morocco since 1963 following his disagreement with Ben Bella) from his exile in Morocco and appoint him as Algeria's President capitulating on that on Boudiaf's historic symbolism among Algerians. It worked; and in the meantime Algeria started its gradual descent into the abysses of political violence as some factions of the Islamists took to arms while the military inaugurated its counter-terrorism war in the name of saving the Republic as was presented then. Five months later President Boudiaf was assassinated by a member of his elite Presidential Guard while giving a speech in Annaba. The assassination was blamed on the Islamist armed groups and political violence intensified.

General Zeroual then was called back from retirement to step into Boudiaf's shoes and to be elected later as President in 1995. As soon as he was elected, Zeroual wanted to loosen the grip of the DRS on the political establishment and decision making in Algeria. He started to reshuffle positions and roles within the DRS to place his trusted men such as General Betchine and General Fodil Saidi. Zeroual's measures were not appreciated by the DRS, which triggered a bras de fer within the Army. It started with a campaign of smear and corruption allegations against Betchine, then escalated with the killing of General Saidi. When it appeared that Zeroual was not impressed at all and that he was not backing down, summer 1997 saw unprecedented surge in terrorist massacres in remote villages and rural communities. Zeroual knew that the next phase would be his head so he called for anticipated Presidential elections in 1998.

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The DRS had not anticipated such a move. They had used all their cards, and with scrapped elections followed by the sacking of Chadli, assassination of Boudiaf, and resignation of Zeroual, they started to lose credibility internationally. Only a civilian figure with an international stature and revolutionary legacy could save the situation. General Larbi Belkheir therefore called Abdelaziz Bouteflika, Algeria's figure of Boumediene's respected diplomacy, back from his long exile in the Gulf to be presented as Algeria's next President.

Bouteflika was then 'elected' President in April 1999 and set off to execute the deal he passed with the military establishment. His mission was two-fold: first to improve the regime's international image through his wide network within the influential political circles in the West, especially the Texas oil lobby in the U.S and second to convince his friends in the UAE to bring in the Gulf money to invest in Algeria. It is worth noting that some heavyweights within the military were against the Bouteflika option but Larbi Belkheir convinced them as the least bad alternative. The most important clause in the deal passed with Bouteflika was to prepare the public for a national reconciliation project. Indeed, by mid 1990s the Pinochet syndrome started to reign over the heads of the generals in Algeria.

President Bouteflika's mission was to sell the Charter for National Reconciliation first to the families of the victims of the National Tragedy, as it became to be dubbed officially, and then to the wide Algerian public. The corner stone of the Charter was a clause which drops charges against all those involved in terrorist activities while impunity would be granted to all members of the state's armed forces, and by extension the top military generals. Critics of the Charter saw in it a project for reconciliation without justice. Publicised for the West as a repeat of Chile and South Africa's reconciliation projects, human rights organisations criticised it as an amnesty for those involved in human rights abuses in the 1990s. Given the sensitivity of the issue, it took Bouteflika a whole term of campaigning and convincing but a year after his re-election for a second term in 2004 he delivered on the deal passed with DRS in 1999. In late 2005 the Charter was approved by a majority through referendum and things seems going well between the military and their civilian facade (the presidency, the Parliament, opposition parties and civil society outlets).

By the end of Bouteflika's second term news of disagreements between the two clans had become visible even to those not familiar with the subtleties of Algerian political life. Indeed during his second term, Bouteflika took advantage of his wide network in the West, especially through his key technocrat Khelil Khelil, Minister of Energy (and former director of the World Bank) who enjoyed the strong support of Washington under Bush, to shore up the Presidency's power and influence in an attempt to upset the state of balance with the DRS. The objective was to reform the whole system where the DRS and the military establishment in general ceases to intervene in politics. President Bouteflika, thanks to the American support motivated by the large oil exploration contracts they were awarded in the Algerian Sahara as well as through close cooperation with Bush's extension of the war on terror to the Sahel seemed to be scoring more points, as the Economist's The World Outlook report of 2009 concluded. Only one thing disrupted Bouteflika's plans during his second term: his health condition.

Indeed, the President's health condition deteriorated considerably and he had to undergo surgery. Bouteflika's clan had a Plan B should he pass away while in office, which consisted of introducing Bouteflika's brother Said as Algeria's next President; it was especially useful given at the time the Constitution did not allow more than two successive terms for the President. Said Bouteflika was a former university lecturer and unionist of leftist political inclination during the mono-party system in the 1980s. He became his brother's personal advisor and gradually his influence and managerial skills started to appear within the domestic scene, as was demonstrated during the various political events since 1999.

The DRS grew uncomfortable with the increasing influence of Bouteflika as he launched major infrastructure projects helped largely by the considerable decrease of terrorism and the surge of oil prices. But, Bouteflika was nearing the end of his second term and with his health condition things seemed uncertain. There had been much talk about amending the Constitution in 2007-08 but the DRS did not give the green light and the suspense continued until late fall 2008, when the Constitution was finally amended through the Parliament by a crashing majority as was expected. This paved the way for a third term for Bouteflika who was re-elected for in April 2009 with 90.2% of the votes. Those concerned with deciphering the inner workings of the Algerian ruling system were trying to understand what sort of deal was made this time. It seemed Bouteflika's clan had managed to check the DRS' power but not enough to overrule it and vice-versa. After all it was the DRS which gave the green light to amend the Constitution at the last minute.

A few months into his third term Bouteflika's clan reinforced its activities to shore up its positions and work on Plan B resumed: a political party for Said Bouteflika! This coincided with the re-opening of a court investigation in France of the case of the kidnapping and assassination of seven Christian monks in 1995, in which a French intelligence general involved in the negotiations at the time alleged that it was the Algerian military forces and not the Islamist GIA were responsible. While President Sarkozy jumped on this new major development to re-open the whole case and to address serious provocative statements to Algeria, Bouteflika observed deafening silence whilst the Army's reputation was being sallied. Silence was also maintained when an Algerian diplomat was arrested in France in relation to a probe in the assassination of Ali M'cili, an Algerian-French opposition figure and lawyer in France in the 1980s.

Thus, re-opening these two cases coupled with the acceleration of Plan B tipped the balance and triggered the current developments within Sonatrach, which has been unfolding so far as a repeat of the Zeroual episode of 1997-98. First cut his right hand: General Betchine then, Khelil, Minister of Energy, now. Then wait and see whether Bouteflika's clan would back down or if it would take more violent measures, as was the case with the former President Liamin Zeroual, which eventually forced him to call for anticipated elections the year after and brought Bouteflika to 'power' in 1999.

It is within this context that the current Sonatrach and other corruption investigations have been opened in all the key ministries of the Government. It started with Civil Works and the gigantic project of the East-West highway in last December, and following Sonatrach last month investigations are spreading to other ministries and projects involving foreign companies, as well as Khalil's son and nephew. The novelty this time is that the conflict is in the open with almost daily leaks from the DRS in the Algerian papers and online. As a result, scores of high ranking executives and managers are in custody or under judicial supervision while investigations of the DRS are underway to establish the charges to be levelled to the detainees. This bras de fer between the Presidency and the DRS was accompanied by social unrest. Teachers have gone on strike twice during the first term, medical GPs and specialists have been on strike since early February and were violently repressed by the police when they tried to demonstrate outside the Presidency Office. Several

strikes have flared up here and there in what remained of the industrial state companies since last December.

Knowing the state of the worker's union activism in Algeria, which has been brutally suppressed since the state of emergency was introduced in February 1992, it is very clear that while the social and economic demands of the unions are genuine it is apparent that they have received the green light to intensify the social unrest across the country. For the first time ever, the Minister of Education resorted to publishing an open letter to the teachers' unions pleading the teachers' unions to end their strike. It was ironic, because on every previous occasion he had ignored strike warnings and repressed those involved. The whole war of clans has been animated by a campaign to smear Bouteflika's key men by leaking to the private press information about alleged corruption dealings.

On the surface it appears that the DRS has scored more points so far and are in a position to either intensify the stalemate, as investigations are still underway and social unrest gathering momentum, or to back off should Bouteflika yield. On the surface Bouteflika is not reacting; and to the general public the whole affair is being presented as a 'Clean Hands' anti-corruption campaign triggered by the President to jump-start the stalled development projects in which he invested billions of dollars. To those initiated in the Algerian regime's affairs, the intelligence circles inside and outside the country offer more insight. According to Maghreb Intelligence sources the Bouteflika-DRS honeymoon ended in late summer 2009 when Bouteflika, in an effort to overrule the military establishment, decided to reopen the assassination cases of President Boudiaf in June 1992 and General Said Fodi (whom Zeroual wanted to appoint head of the DRS at the time) in 1996. Bouteflika went as far as setting up a mixed committee to establish the truth about those two cases and other events of the bloody decade of the 1990s.

This caused an earthquake within the military establishment and constituted a grave breach of the deal passed with him when they first called the current President from exile in 1999. Faced with such a scenario, the DRS activated the 'summer 1997 operating procedure' and started decapitating Algeria's most profitable company overnight. The move came few days before Larbi Belkheir, the master-mind of the regime, was announced dead following a long struggle with various respiratory system problems. Although his death adds to the losses within the DRS ranks, the enlargement of the investigations to various sectors is a signal that their setbacks will not affect their ability to strike.

It is very difficult to predict how this episode would unfold. Hillary Clinton's comments that the Sonatrach affair is an internal Algerian matter was decoded in Algiers as meaning Mr. Khelil won't be saved this time. The Algerian military regime always had bad relations with the Democrats in Washington but this declaration was more than welcome. It only reinforces Obama's policy stated in his Cairo speech. Where to go from here now? With the death of Larbi Belkheir, Algeria's blackbox for the post-Boumedienne years was lost for good. This development convinced France to drop Ali M'cili's assassination case and the Algerian diplomat was cleared in mid-February, just four weeks after Belkheir's death: another victory for the DRS in their standoff with Bouteflika. Under Bouteflika the Algerian-French relations have deteriorated significantly, especially with the arrival of Sarkozy to power. In addition to the colonial legacy issues, France has lost its privileged economic partnership with Algeria and the US, China, and Italy have taken over.

Traditionally, the military establishment always preferred France or the Republicans in Washington. Under Bush, American support increased Bouteflika's clan influence and threatened the DRS' power and position while relations worsened with France. With the arrival of the Democrats, the DRS decided for a re-orientation of the ship towards France. Their man for that mission, the current Prime Minister Ahmed Ouyahia, has always made his dislike of the American influence in Algeria known and preferred strong relations with France and Europe. In the midst of all the chess game a security earthquake hits the Algerian ruling establishment: Colonel Ali Tounsi, Director of the Algerian National Police was assassinated by a fellow colonel in his office in the Police HQ in Algiers. According the official communiqué the perpetrator had been 'gripped by madness' as he proceeded to fatally wound the director general of the National Police.