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# **Political Dynamics of Algeria**

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**An Intelligence Assessment**

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*NESA 83-10350  
December 1983*

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# Political Dynamics of Algeria

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**An Intelligence Assessment**

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This paper was prepared by [redacted]  
[redacted] Office of Near Eastern and South  
Asian Analysis. [redacted]

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[redacted] The paper was coordinated with the  
Directorate of Operations. [redacted]

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Comments and queries are welcome and may be  
directed to the Chief, Arab-Israeli Division, NESA,  
[redacted]

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## Political Dynamics of Algeria

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### Key Judgments

*Information available  
as of 23 December 1983  
was used in this report.*

The prospects for political stability in Algeria are good. President Chadli Bendjedid has grown in political stature and authority since his election in 1979:

- He has maintained the confidence of the armed forces, which put him in power.
- He has ousted prominent opponents and reined in the leftist ideologues of the National Liberation Front (FLN), the sole legal political party.
- Bendjedid's style and attention to improving the lot of the average Algerian have struck a sympathetic chord among Algerians.

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The armed forces are the decisive center of power in Algeria and the only group we believe can effect a sudden change in regime. An informal coalition of military officers and civilian bureaucrats constitutes the privileged elite, sharing pragmatic and nationalist values. This group now dominates the FLN and has been instrumental in redirecting policy along more moderate lines. In our view, Bendjedid and the Army will continue to dominate the party, and Bendjedid will be elected next year to a second term as President.

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While retaining the nation's support for socialism, Bendjedid has abandoned the rigid doctrines of his predecessors:

- Light industry, housing, and agriculture—areas directly affecting the average Algerian—are receiving greater emphasis than heavy industry.
- Bendjedid is allowing greater freedom to the private sector to increase economic efficiency.
- Algerian foreign policy is less confrontational, aiming at regional stability and cooperation.

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Loyal and efficient security services monitor dissidents, who for the near future will play a minor role in Algerian politics:

- The opposition lacks resources and effective leadership and is fragmented.
- Bendjedid, with Army backing, purged prominent leftists from the FLN, and members of the Communist Socialist Vanguard Party have been barred from leadership positions.
- The regime vigorously suppresses dissident Muslim fundamentalists—potentially the most dangerous opposition—while actively promoting its Islamic legitimacy.

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Certain issues are potentially divisive of Algerian society and government, but we expect the Bendjedid regime to manage them effectively. The Western Sahara conflict and the Arabization campaign will generate occasional tension for some time. A prolonged revenue squeeze may compel Bendjedid to undertake further domestic belt tightening and thus risk public discontent. Longer term problems, such as chronic unemployment and a burgeoning, youthful population, will trouble Algerian development efforts for years. [REDACTED]

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We believe that over the next few years the pragmatic, moderate orientation of the Bendjedid government will continue to improve the opportunities for cooperation between Algeria and the West and for better US-Algerian ties. In areas of trade and economic development, Algeria will seek US and Western technology, goods, and expertise. Algiers is also gradually reducing its reliance on the Soviet Union for military equipment by expanding its diversification efforts, although its longstanding supply relationship will predominate and endure for the near future. Algeria will look to the West for more of its military hardware and training in the coming years. [REDACTED]

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Algerian and US interests in stability in the Maghreb, in the Middle East, and in Africa are generally compatible but not wholly congruent. Strains will persist over important specific issues such as US-Moroccan military cooperation and how best to deter Libyan activities in Africa. Genuine philosophical differences on international economic matters will also continue to disturb US-Algerian relations. [REDACTED]

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## Political Dynamics of Algeria

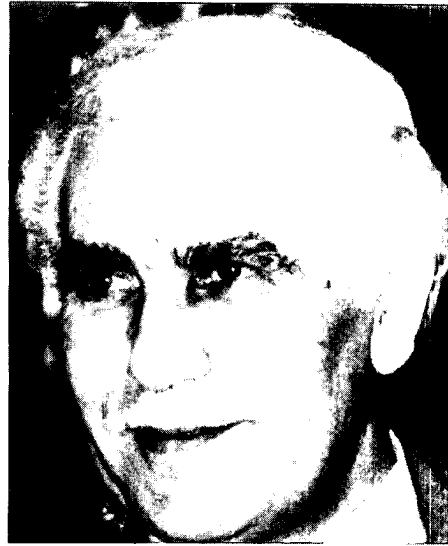
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Algeria's prospects for political stability and development appear bright as the country passes its 20th year as an independent state. The disputes that occurred during the Ben Bella and Boumediene presidencies have been largely resolved, and a new sense of national unity and purpose has emerged under President Chadli Bendjedid. The orderly transition from Boumediene to Bendjedid has demonstrated to Algerians that their country's political institutions are operating smoothly.

The death in December 1978 of President Houari Boumediene—a rigid leftist—gave the Algerian leadership the opportunity to reconsider the direction of the country's domestic and foreign policies. The emergence of Bendjedid—with his less ideological approach—reflects a maturing of the revolutionary regime that is working to put some distance between its current goals and the struggle for independence some two decades ago. Bendjedid has made clear in his actions and his public statements that his policies are geared more toward fulfilling contemporary Algerian expectations and solving Algeria's immediate economic and social problems than trying to apply socialist precepts that have been found wanting. Although Bendjedid and his closest advisers believe in socialism, they are not dogmatic in applying its ideology. We view the current regime as one that pursues what works and is more tolerant of regimes with a conservative structure and orientation.

### The Presidency: Authoritative yet Collegial

We believe President Bendjedid has grown in political stature and authority during his five-year term. Essentially self-educated, Bendjedid was a member of the tightly knit group that led Algeria's war for independence from France. The 54-year-old former Army colonel appears comfortable in the presidency. According to US officials, he demonstrates an increasingly sophisticated understanding of issues and greater confidence in making decisions. In our judgment, he has rejected his predecessor's rigid ideological approach and has begun to direct Algeria toward a more moderate position on domestic and international issues.



President Chadli Bendjedid. Camera Press ©

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Bendjedid's quiet demeanor belies a toughness and political cunning that he has used to establish his authority over the country. We believe Bendjedid has adroitly overcome the stigma of being a "compromise" candidate, a term used by many Algeria watchers when he was elected president in 1979. Within a year after Boumediene's death, it was apparent that he had won the allegiance of more than just those military officers who placed him in power.

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In consolidating his power, Bendjedid has used his formidable presidential powers patiently and discreetly to weed out many of the radical holdovers from the Boumediene era.<sup>1</sup> He has shuffled his cabinet three

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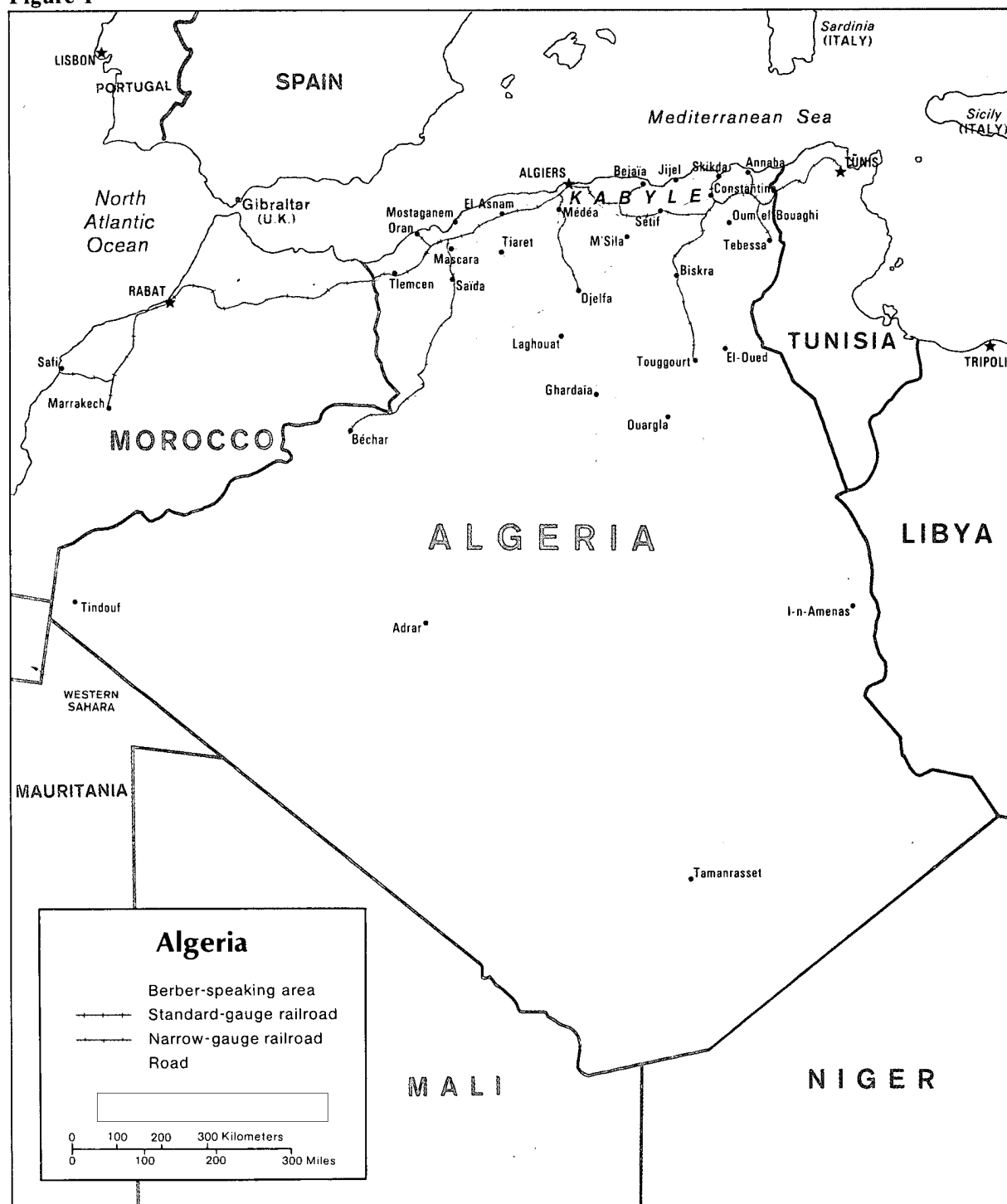
<sup>1</sup> All important powers are concentrated in the office of the president. He is head of state and government, Secretary General of Algeria's sole political party, the National Liberation Front (FLN), Commander in Chief of the Armed Forces, and President of the Supreme Court and High Security Council. Bendjedid, like his predecessors, retains the Defense portfolio. National presidential elections are held every five years. In accordance with the National Charter and the Constitution, the President alone determines the nation's foreign and domestic policy.

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Figure 1



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times to reward loyalists and reduce the power of potential adversaries and hardcore leftists. Key participants in the previous regime, such as Merbah Kasdi, currently Minister of Heavy Industry, and Mohamed Salah Yahiaoui, former FLN party coordinator, have been eased into nonpolitical ministry and party positions. The accidental death of Foreign Minister Ben Yahia in an air crash in April 1982 removed the last influential adviser with a strong leftist orientation. He was replaced by Ahmed Taleb Ibrahimi, a more moderate and reliable ally. Others, like former Foreign Minister Bouteflika and Maj. Rashid Zeghar, former security adviser to Boumediene, have been snared by Bendjedid's anticorruption campaign. Although we believe the campaign is a political instrument of the regime, the charges in most cases appear valid. Bendjedid has chosen not to make a public spectacle of the campaign's victims, using house arrest rather than harsh imprisonment as punishment.

Bendjedid favors a collegial style of leadership and seldom exercises the full prerogatives of his office without consultation. Embassy reporting indicates that most major decisions are made in concert with trusted loyalists whose influence depends on their personal relationship with Bendjedid or their demonstrated expertise. Membership in the country's sole political party—the National Liberation Front (FLN)—is not a prerequisite for influence. Moreover, according to Embassy reporting, participation in the inner circle varies depending on the issue at hand. This system of decisionmaking assures consultation among a variety of political sectors—the military, party, and technocratic elites—and prevents individuals from rivaling the President's influence.<sup>2</sup> According to Embassy reporting, only the Secretary General of the Presidency, Col. Larbi Belkheir, enjoys regular access to Bendjedid. He is considered to be the second most important figure in the country, according to Embassy sources.

Although Bendjedid routinely covers his political flanks through wide consultations, we believe he seeks first and foremost the approval of the military. He does so partly because that is his home constituency

but also because the military is the only source of power that could effectively challenge a presidential initiative.

#### **The Military and Security Forces—Political Kingmakers**

The professional military establishment in Algeria includes the Army, Air Force, Navy, and gendarmerie, collectively known as the People's National Army (ANP). In our assessment, the ANP under Bendjedid continues to exert pervasive control of Algerian politics that it has held since independence.

The basis of the ANP's political clout is its monopoly of organized force, its status in Algerian society gained during the early postindependence years, and the control it has had of key party and government positions over the years. The officer corps has overcome various ethnic and regional differences to operate as a united block in Algerian politics.

that the military is the most cohesive, disciplined organization in Algeria. Most officers are loyal to the ANP as an institution and, according to Embassy reporting, see themselves as the guardians of the nation.

The ANP exercises its influence through the key positions military officers hold in the government and the FLN. According to Embassy reporting, the three men considered the most powerful in the Algerian Government—President Bendjedid, Secretary General of the Presidency Larbi Belkheir, and Ministry of Defense Secretary General Mustapha Benloucif—are all professional military officers. In addition, military officers hold eight of the 30 cabinet portfolios.

Under Bendjedid the ANP promotes its viewpoint primarily through its control of the FLN.

Bendjedid confers with the ANP leadership before FLN Central Committee meetings and before important policy initiatives, such as his summit meeting with Morocco's King Hassan in 1983. By meeting regularly with senior officers, Bendjedid can maintain the support of

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the ANP, coordinate political strategy with the officers, and incorporate Armed Forces wishes into government policy. [redacted]

The military block within the FLN is supported by civilians from the civil service and state enterprises, according to Embassy reporting. Led by Bendjedid since 1979, this coalition of officers and technocrats has progressively consolidated its grip on party organs and has endorsed Bendjedid's efforts to subordinate the powers of the party cadre to those in the coalition. At the local level, regional military commanders wield considerable authority by virtue of their responsibility for public order. Embassy reporting notes that the regional commanders usually defer in local decision-making on nonmilitary and nonsecurity matters to the governors and communal assemblies, choosing for themselves a watchdog role over local government. [redacted]

Bendjedid appears to have a comfortable working relationship with his fellow officers and, in our view, is likely to retain their confidence as long as he continues to protect their special status, equip them well, and pursue his current foreign and domestic policies. Rumors occasionally circulate—conjured by the Moroccans, we suspect—that cliques of officers have turned on Bendjedid or chosen to ignore his directives, particularly on controversial issues, such as Algerian support for the Polisario. We have no information to support these rumors, nor have there been domestic military disturbances that would lend them credence. There are, however, longstanding rivalries and resentments in the officer corps based on regional and ethnic affiliations that have been troublesome for Bendjedid and, in extreme circumstances, could complicate his domination of decisionmaking. In the broader political arena, however, the military closes ranks to promote its interests. [redacted]

In our judgment, a more pervasive and potentially troublesome friction exists between Berber and Arab

officers.<sup>3</sup> Berbers have traditionally been underrepresented in the officer corps, and—as in broader social and development issues—have lobbied for representation and status commensurate with their position as the country's largest minority. (Berbers constitute 20 percent of Algeria's predominantly Arab population.) On the other hand, Berbers—especially from the Kabyle region—have over the years come to dominate the important Military Security (SM) service in the ANP, creating some concern among their Arab counterparts [redacted]

[redacted] Bendjedid neutralized the problem by appointing to the cabinet the Kabyle SM chief Col. Merbah Kasdi, replacing him with an Arab. For good measure, Bendjedid retired a number of Kabyle officers and transferred the important SM security and intelligence functions to Larbi Belkheir in the office of the presidency. [redacted]

According to Embassy reporting, these frictions continue to dissuade Bendjedid from appointing an Armed Forces chief of staff for fear of upsetting the equilibrium of the ANP. To a large extent, however, these problems are internal issues and have not inhibited the ANP from acting as a cohesive force on broader national issues. Moreover, grumbling about regional and ethnic favoritism has not dampened ANP approval of Bendjedid's policies and performance, according to Embassy reporting. [redacted]

#### **The Bureaucracy—Junior Members of the Ruling Elite**

The Algerian bureaucracy generally has supported the ANP's control of the government. We believe both groups desire greater pragmatism and less ideology in

<sup>3</sup> Berbers are the indigenous people of North Africa, most of whom submitted to Arab domination during the Arab conquests in the seventh and eighth centuries. Although the Berbers converted to Islam and thus share many of the social and political traditions of the Arabs, they have retained the Berber language and maintain a strong sense of their ethnic identity. The Kabyles of the Kabyle Mountains east of Algiers are the largest of the Berber groups in Algeria. Second are the Chaouias of the Aures range south of Constantine; the M'zabites of the northern part of the Sahara Region and the Tuareg of the southern Ahaggar Mountains are much smaller groups. [redacted]

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the Algerian Government. Thus, in the FLN party congresses and Central Committee, the bureaucrats cooperate with the military. [ ]

Unlike the Armed Forces, the bureaucracy—including key civil servants and managers of state enterprises—does not have an inherently powerful political base and could not on its own dictate the course of Algerian policy. Rather, these specialists are influential because of their expertise. We believe, for example, that Foreign Minister Ibrahimi is quite important in determining foreign policy, yet he possesses no personal power base and owes his position to Bendjedid. Should leading bureaucrats diverge significantly from the course favored by Bendjedid or the military, it is unlikely they would retain their positions. [ ]

Although the ANP will remain the paramount power in Algeria, we expect the bureaucracy's influence to grow as Bendjedid implements a gradual devolution of decisionmaking to local governors and managers of state enterprises. Under the slogan "the right man for the right job," Bendjedid has placed more competent managers in positions formerly occupied by party hacks. Bendjedid's emphasis on results over ideological purity should allow managers to improve production and administration so long as they adhere to the broadly defined ideals of national independence and socialism. [ ]

Berbers are represented in the bureaucracy in proportions greater than in the general population, according to the US Embassy, but we do not believe this affects the political outlook of the technocrats. We believe the bureaucracy is less cohesive than the Armed Forces. As in the ANP, bureaucratic discontent tends to focus on the slow pace rather than the direction of Bendjedid's reforms. The bureaucracy's interest in less dogmatic policies and its middle class character suggest it will continue to support Bendjedid as long as he promotes greater liberalization in government and less austerity in Algerian society. [ ]

#### **The National Liberation Front—Instrument of the Government**

The power and strength of the FLN today derive almost exclusively from the military officers who hold positions in the party. The functionaries who administer the FLN have become steadily less powerful since

independence and under Bendjedid have had their influence severely curtailed by a major party reorganization in 1980. In the reorganization Bendjedid transferred power to the secretary general—a position he holds—and removed many leftist ideologues from positions of influence in the party. As a result, the FLN now serves mainly as a consultative forum for Bendjedid and his military officers and a symbol of the regime's legitimacy. [ ]

Once the most important body in the FLN, the Political Bureau has lost its preeminence to the Central Committee under the secretary general, according to Embassy reporting. In his first two years in office, Bendjedid, with the backing of the ANP-bureaucracy coalition, stripped the Political Bureau of its policymaking function, reduced its membership from 17 to 10, and ousted opponents, such as party coordinator Yahiaoui and former Foreign Minister Bouteflika. The Political Bureau is now under the direct authority of Bendjedid and has become largely a conduit for decisions taken in the government or Central Committee. [ ]

Since 1979 the FLN Central Committee has become the locus of power in the FLN—again by virtue of the military officers who staff it. [ ]

[ ] a coalition of moderate military officers and civilian technocrats dominates the 200-member committee, which usually meets only twice a year. According to the list of the Central Committee membership provided by the Embassy in Algiers in 1981, 42 percent had military backgrounds. [ ]

In December 1983 the Fifth FLN Party Congress reelected Bendjedid as its secretary general. He becomes the sole candidate for president in national elections in January. We believe that Bendjedid and the Army will continue to dominate the party and that Bendjedid will be elected to a second term as president. The US Embassy in Algiers reports that the FLN preparatory commission charged with organizing the Congress is led by six men personally loyal to Bendjedid, three of whom are colonels. As long as

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Bendjedid retains ANP support, we do not expect the FLN to reemerge as an independent political institution. Although it may continue to express a more dogmatic outlook in its official pronouncements, the party will have little influence on Algerian policy. [ ]

### **The Regime and the Public**

In our view, Algerians for the most part support the current regime and probably would give Bendjedid generally high marks for his performance. In contrast to his predecessor, Bendjedid projects a personable and lively image and appears comfortable in his public role. The President frequently travels outside the capital to enhance his popularity, but he has avoided the personality cult characteristic of previous Algerian regimes, according to US officials. The President's photograph, for example, is not widely displayed around the country. [ ]

Bendjedid has had to win over a public that, in our opinion, all too often views the regime's primary goal to be self-aggrandizement. Many Algerians believe that corruption—practically a way of life in Algeria today—has gone too far. Although we view Bendjedid's anticorruption campaigns as mostly attempts to eliminate rivals, several have been popular with the public, but have done little to stem corruption and graft. An aggressive anticorruption program would probably be one of the most dangerous initiatives Bendjedid could undertake. [ ]

Bendjedid has made foreign policy changes that have probably helped rebuild national pride. Bendjedid's efforts to steer Algeria back into the Arab mainstream and to strengthen its ties with the West, especially with the United States, in our view, have enhanced his image as an Arab statesman. Similarly, his government's role in negotiating the release of US hostages from Iran, acceptance of many Palestinians after the PLO exodus from Beirut last year, and its efforts to mediate the Iran-Iraq war have improved Algeria's reputation internationally. Public reaction to Bendjedid's initiatives toward improving relations with its Maghreb neighbors, particularly Morocco, has been favorable in part because it has opened the borders to much-needed Moroccan agricultural products. [ ]

A good indicator of the regime's growing confidence in its public support is the reduced presence of police and security forces throughout the country. In addition, Embassy reporting indicates that the human rights record of the Bendjedid regime is better than that of previous regimes, although political and civil liberties remain restricted. This more relaxed atmosphere suggests that the government and the people are not at odds, nor, in our judgment, are there serious tensions below the surface. [ ]

### **The Opposition**

Bendjedid has sidelined his more prominent opponents with a minimum of political disruption and public attention. Leading leftists, such as former President Ben Bella and Col. Tahar Z'biri—former Chief of Staff under Boumediene—have been discredited by the current regime but have been treated mildly compared with the harsh tactics used in earlier regimes. Some have been forced into permanent exile, fallen victim to charges of corruption, or been quietly retired from public life, according to Embassy reporting. In our opinion, Bendjedid probably believes that these forms of political punishment are more acceptable to the Algerian public and essentially render these once-powerful individuals irrelevant to Algeria's rapidly changing society. [ ]

We believe disaffection among students, workers, and Islamic fundamentalists is of far greater concern to the regime than the lingering problems posed by political has-beens, but here too Bendjedid has had considerable success using accommodation when possible but delineating a clear limit to government tolerance of criticism. [ ]

**Fundamentalists.** In our view, Islamic fundamentalists present the greatest problem for the regime. The government has had some success during the past 20 years in monitoring and dampening the appeal of religious conservatives. The Iranian revolution, however, heightened religious consciousness throughout the Islamic world and has spurred a religious revival in Algeria that has seriously concerned senior officials, [ ] Although the

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fundamentalist groups are small, fluid, and poorly organized, Embassy sources report that they have infiltrated university campuses and labor organizations, occasionally inciting violence between these groups and security forces. After a series of violent, fundamentalist-inspired demonstrations last year, the government arrested about 50 activists, detaining some highly respected members of the religious establishment and publicly warning against further fundamentalist activities. [ ]

We believe the regime will use force in those instances when militants threaten public order. In our view, the regime is not inclined to change the country's basically secular outlook, and few of its leaders are strict in their personal Islamic practice. Nevertheless, they are taking measures to ensure that their Islamic credentials—a cornerstone of their right to govern—are not seriously challenged. The regime maintains tight control over the national religious apparatus, which it uses to strengthen its image and to monitor religious expression in Algeria. In addition, the regime's public rhetoric often incorporates Islamic themes. [ ]

**Political Parties.** Although political parties other than the FLN are illegal in Algeria, a few manage to operate clandestinely. The Communist party, called the Socialist Vanguard Party (PAGS), established in 1966, has an estimated 1,500 members, who operate mainly through the General Union of Algerian Workers and the National Union of Algerian Youth. Its activities—confined to a very limited distribution of pamphlets—probably have been tolerated largely because in 1971 PAGS recognized the FLN as the sole legitimate party and has since then given it tacit support. [ ]

The Party of the Socialist Revolution, formed in 1962 and claiming to be a party of the democratic left, has few members and little influence. Its primary purpose is opposition to the Boumediene holdovers, whose numbers have been rapidly diminishing. According to Embassy reporting, it has been active only in the capital and among emigre groups in Paris. Its best known leader, Mohamed Boudiaf, one of the original leaders of the revolution, is in exile in Morocco, according to Embassy reporting. [ ]

In addition, former President Ben Bella has gathered a coterie of followers since his release from house arrest in 1980. Primarily composed of former cronies and operating mainly from France, where Ben Bella lives, this group is generally older and espouses an Islamic antiregime line, according to Embassy reporting. [ ] we believe the current regime is paying closer attention to Ben Bella's connections with Libya and his recent endorsement of Islamic fundamentalism. Although press and Embassy reporting point to occasional contacts between Ben Bella and Qadhafi or fundamentalist groups in Algeria, the regime is probably mostly concerned that the 64-year-old Ben Bella does not become an instrument for the unification of the various dissident groups in Algeria. [ ]

**Berbers.** The Kabyle Region, which is predominantly Berber, has historically been a center of opposition to the central government. Kabyle Berbers played an important role in the Algerian revolution, and a number of them served in the liberation army. Shortly after independence, Hocine Ait Ahmed—who is in exile—led an insurrection in the region against Ben Bella and in 1967 staged an unsuccessful coup against Boumediene. According to press reports, the major urban and industrial hub of Kabyle country, Tizi Ouzou, continues to be a center of unrest and antigovernment demonstrations. [ ]

Berber unrest arises mostly out of what is perceived to be the government's neglect and discrimination and not from desires for regional autonomy. According to Embassy reporting, Berbers believe they have not received their fair share of government development funds over the years. Even though Berbers are found in almost every level of the Algerian bureaucracy, they resent holding relatively few high-level positions in the Armed Forces. [ ]

Organized Berber political interests have been represented by the Front of Socialist Forces (FFS) since 1963 when Ait Ahmed founded the party. In 1981 it was resuscitated during a heated confrontation between the government and the Berbers. Illegal and

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operating clandestinely or outside the country, the FFS has had varying success in mobilizing Berber support and is most active when Berber interests are directly challenged, according to Embassy reporting. The FFS appears to have significant support among Berber youth and among emigres in France, who are mostly Berber. It calls for greater economic and political liberalization, use of French and Berber in addition to Arabic (Berbers jealously guard their language, preferring to learn French rather than Arabic), cultural diversity, and a multiparty system. Embassy reporting suggests that it may also be allied or synonymous with the Berber Liberation Front, which is based in Paris and allegedly receives financial support from the Libyans. [ ]

Bendjedid, like his predecessors, has tried to accommodate some Berber demands,<sup>5</sup> and the government is generally tolerant of their public criticism. In general, Berbers favor Bendjedid's move away from the hard-line policies of the previous regime. Berber activists have told US Embassy officials in Algiers that they are pleased with government efforts to increase investment in the region, but group political consciousness is at an alltime high so that lapses of government attention become major issues. In our judgment, the Berbers' desire to get a bigger piece of the Algerian pie will remain a potential flashpoint in Algerian society for some time. [ ]

#### Divisive Issues

Despite Bendjedid's political strength, several issues could crack the current government policy consensus or increase popular criticism of the government. [ ]

**Economic Reorientation.** Beginning in the early 1970s, Algeria worked to diversify and industrialize its economy through large investments in heavy industry financed with oil revenues. By 1979 the Algerian leadership—faced with a rapidly escalating foreign debt and only marginal progress in industrialization—altered its development strategy. There has been a noticeable change in investment policy, but it is too

<sup>5</sup> Bendjedid has appointed five Berbers to his cabinet—Minister of Agriculture and Agrarian Reform Selim Saadi, Minister of Education and Basic Instruction Mohamed Cherif Kherroubi, Minister of Heavy Industry Merbah Kasdi, Minister of Interior M'hamed Hadj Yala, and Minister of Labor Mouloud Oumeziane—and Mohamed Said Mazouzi, former Governor of Tizi Ouzou, as chairman of the prestigious Social and Economic Commission of the FLN. [ ]

early to measure the long-term effects of this new strategy on productivity. [ ]

Since 1979 Bendjedid has moved to reverse Boumediene's emphasis on heavy industry by promoting labor-intensive light industry and commerce. Bendjedid has successfully begun to decentralize many large state-owned cooperations, such as the country's energy company, SONATRACH, give greater emphasis to developing the infrastructure and social services, and encourage private-sector activity. This strategy generated considerable controversy in the early years of the Bendjedid regime. Following the removal from the FLN of prominent leftists and opponents of Bendjedid, the debate diminished. Nevertheless, economic performance is a key issue for Algeria, and the success of the Bendjedid government in part depends on the continuation of a good economic record. [ ]

The real test of the regime will be how well it manages Algeria's hydrocarbon industry under the current difficult market conditions. We believe the results have been good up to now. The performance in this area will probably determine popular attitudes toward Bendjedid's economic management, and any serious misstep is likely to revive old arguments over socialism. [ ]

In our view, both the ANP and the bureaucracy are strongly behind the current economic course. Indeed, [ ] some Army officers are impatient with Bendjedid's deliberate pace in opening up the economy. The ideological left, mostly technocrats in the FLN, is the only outspoken foe of Bendjedid's policy. They condemn the opening to limited private enterprise as exploitative and inimical to their concept of social justice. In 1979 the FLN party organ *Revolution Africaine* conceded the private sector's greater efficiency but criticized it for promoting exploitative enterprises and for fostering "neocolonial dependency." [ ]

The government is well placed to quash political opposition to its economic policy. We believe the ANP and technocrats have a firm grip on the FLN Central

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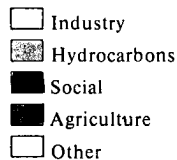
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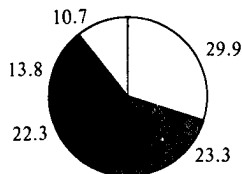
**Figure 2**  
**Algeria: Investment Spending, by Sector:**  
**A Shift in Emphasis**

Percent share



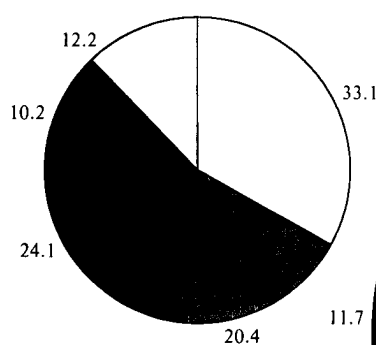
**1970-73**

US \$7.5 billion



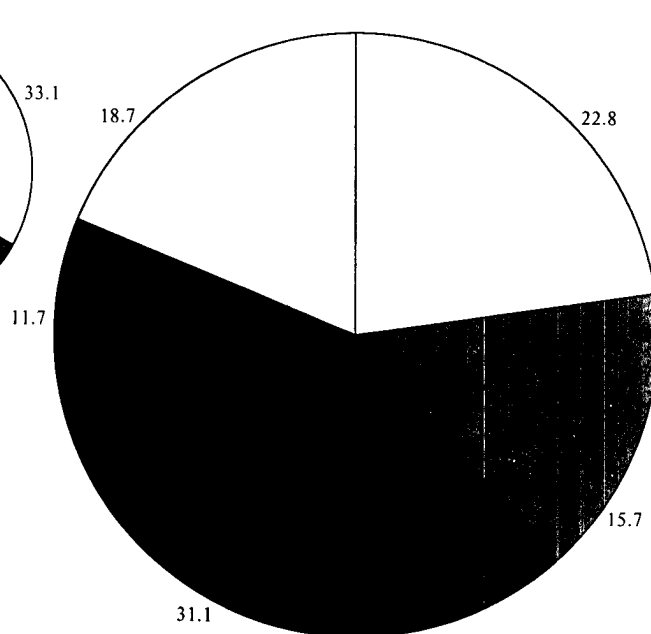
**1974-77**

US \$26.8 billion



**1980-84 Plan**

US \$104.3 billion



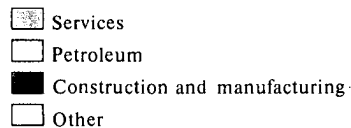
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Committee. Legislation prohibiting Communists from holding office in the mass organizations eliminated the most militant leftists from the leadership of the national labor union, and the rank-and-file members are mostly apolitical. Possible opposition from the student population will be blunted if Bendjedid's strategy increases job opportunities. Finally, the government, true to its socialist principles, is sensitive to

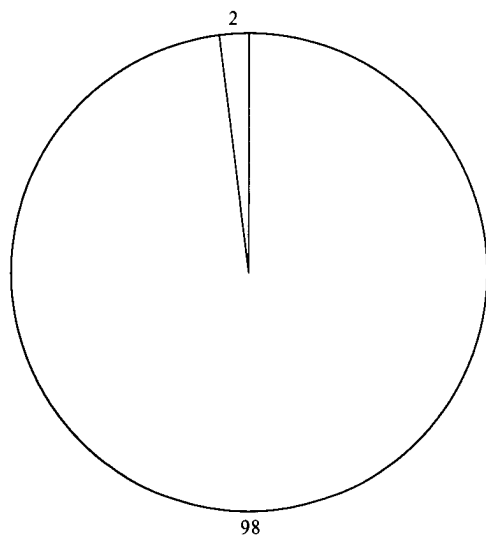
demands for social justice. Bendjedid stresses that Algeria's private businesses must remain "nonexploitative," and he will keep tight control over its actions.

**Figure 3**  
**Algeria: Dependence on Petroleum, 1982**

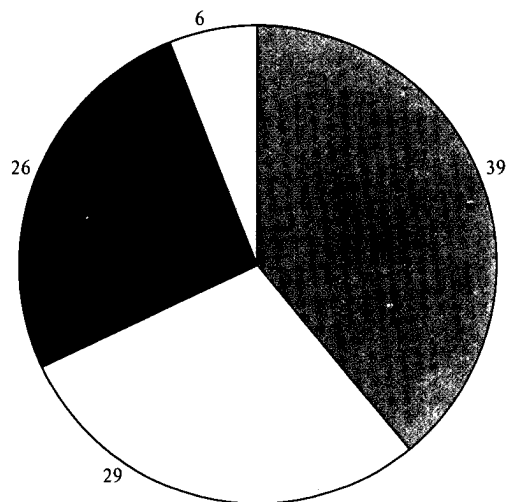
Percent



Export Revenues



Gross Domestic Product



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Managing the oil and gas industries that will largely finance development in other areas will be even more challenging. In our view, any sharp drop in hydrocarbon revenues would seriously hinder the regime's economic objectives. Moreover, it is unclear whether the average Algerian—particularly more politicized elements such as students and workers—would make a distinction as to the causes of continued economic hardships or a decline in the general standard of living. Bendjedid's policies and particularly his efforts to attract greater investment from the West would probably be saddled with some blame, justified or not.

**Western Sahara.** Since 1975 Algeria has provided diplomatic and military support to the Polisario Front, which contests Morocco's annexation of Western Sahara. Under Boumediene support for Polisario demands for complete independence from Morocco was consistent with Algeria's self-appointed role as a leader of the Third World. Bendjedid's continued support for the Polisario complicates his more moderate foreign policy goals and desire for economic

cooperation with Morocco. The Sahara war hinders Algerian-Moroccan rapprochement and thus remains a stumblingblock to the "greater Maghreb" concept that Bendjedid has been promoting since early 1983. The Western Sahara issue has polarized recent OAU summits, a development Algerians fear may lead to increased superpower involvement in Africa. [redacted]

On the other hand, Algeria's commitment to the Polisario continues for reasons greater than ideological commitment. Maintaining some control over the guerrillas ensures that Libya and other potential supporters, like the Soviet Union and Cuba, will not support goals contrary to Algerian policy. Moreover, we do not believe that Algeria is prepared to see Morocco—its chief regional rival—enhance its size, resources, and prestige by incorporating the Sahara. [redacted]

Although we believe that Bendjedid would welcome a political settlement of the conflict, he cannot ignore those factions in Algerian political life that advocate continued support for the Polisario. We believe the Algerian Government over the years has been aware of and sometimes involved in the Polisario's military activities. This dual policy of seeking a political solution while continuing military support suggests that there is an internal debate in Algiers over its Western Sahara policy. [redacted]

The Algerian military would oppose any attempt by Bendjedid to cut ties with the Polisario. [redacted]

[redacted] that support for the Polisario is strong at all levels of the officer corps. Embassy reporting over the years suggests that the ANP officer corps has been less flexible than Bendjedid on a possible political solution to the dispute. Although we believe the officers accept a negotiated solution to the war, they would resist a settlement that did not recognize some form of Saharan autonomy. [redacted]

We do not expect the Western Sahara issue to create a dangerous rift in the Algerian Government. Bendjedid's cautious, consensual style of governing ensures that he will not adopt a policy that alienates the ANP leadership. [redacted]  
[redacted]

[redacted]

We expect the Algerian Government to continue to assist the Polisario, even at the expense of improved relations with Morocco. Furthermore, should fighting escalate in the Sahara on Morocco's part, particularly if it threatens Polisario survival, we believe Bendjedid would adopt a more strident policy to retain ANP backing. [redacted]

**Arabization.** The replacement of French with Arabic as the national language grew out of FLN efforts during the war of independence to unite Algerians around a separate national identity, emphasizing Islamic and Arab cultural traditions. As in colonial times, however, French-style education is the prerequisite for success in Algeria, and French is the language of the political elite. Algerian-produced French language newspapers have a larger circulation in Algeria than do Arabic ones. [redacted]

Although the government is publicly committed to the Arabization of government, business, and education, Bendjedid's actions suggest he gives priority to improving government services and relieving the austerity of Algerian life. These goals conflict in some instances with rapid Arabization, which would significantly degrade Algeria's already inefficient bureaucracy and state corporations. In our view, the bureaucracy would be especially resistant to the elimination of French. [redacted]

The Arabization program is regarded differently by the various components of Algerian society. Embassy sources report that:

- Leftists in the government view Arabization as a means of breaking with the colonial past.
- Berbers see Arabization as undermining their distinct culture and language and degrading their status.



- Students, who are divided into pro- and anti-Arabization factions, depending on whether they have received a French or Arabic education, closely link Arabization to their employment prospects in the tight Algerian marketplace.
- The general public, while not opposed to the program, is much more concerned about housing, employment, and availability of consumer goods. [ ]

Recognizing the potential divisiveness of the program, Bendjedid has tried to walk a fine line. Since 1981, Berber has been taught at the larger Algerian universities, and this has significantly reduced Berber discontent over this issue. Because leftists are not sufficiently strong to challenge the regime in the FLN or in any other forum, Bendjedid has largely ignored their demand that he push the Arabization program. There has been no obvious or easy way, however, to deal with the disaffection among students and younger workers who back the Arabization program. Consequently, Arabization as a political issue is likely to continue to feed tension. [ ]

#### Outlook

Bendjedid's regime seems secure for the near term. His appointees are in key posts in the government, the FLN, and the military, and his reelection at the party congress in December 1983 was not contested. Although some groups in Algerian society are disappointed that neither the revolution nor Bendjedid's economic policies have lived up to expectations, Bendjedid is more popular than either of his predecessors. Moreover, Bendjedid's obvious sensitivity to military concerns diminishes the possibility for serious friction between him and this decisive element in the Algerian power structure. [ ]

In our judgment, opposition to the regime will remain fragmented and ineffectual for some time. Lacking resources and popular leaders, the few existing dissident organizations will play only a marginal role in Algerian politics. We cannot rule out, however, the possibility of rogue elements, particularly in the military or the FLN, attempting a coup or assassination. [ ]

If Bendjedid died suddenly, moderate military officers would probably again carry decisive weight in the

succession and would select someone from the same mold. Even if a new president assumed office in the next several years, he would probably not significantly alter Bendjedid's programs. A new leader would probably adopt as his own the goals of a more open, but still socialist society. [ ]

#### Implications for the United States

In our judgment, the good prospects for continued political stability in Algeria will help US-Algerian relations. Barring a serious policy failure—for example, an economic crisis or serious Polisario defeats—we believe Bendjedid's secure grip on the government, coupled with the political predominance of the Army, ensures that Algerian policy will continue to be pragmatic. We expect Bendjedid to pursue better relations with the United States cautiously and deliberately. [ ]

Economic and commercial ties between the United States and Algeria are likely to show greater and more rapid improvement than political and military relations. Algiers has some experience in dealing with American business, particularly the petroleum industry, and commercial relations with the United States have provoked little controversy. We believe the Bendjedid regime will seek contracts that further the government's ability to achieve the goals of its new economic outlook. Labor-intensive projects and a real transfer of technology and skills will be of particular value to Algiers. The pace and scope of US-Algerian trade faces constraints, however, because of Algeria's diminishing oil revenues and Bendjedid's aversion to economic dependence on any one country. Since the United States holds only a small share of the Algerian market, we believe Algeria's quest for diverse economic partners enhances the prospects for increased trade with the United States. [ ]

Broader changes in Algeria's foreign policy have created a confluence of interest with the United States that allows for more lasting cooperation. As the Bendjedid regime has become more secure in its position, Algeria's foreign policy has been based increasingly on traditional considerations of national

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*Bendjedid meets with Pope John Paul II during West European visit in November 1983 as part of his efforts to encourage warmer ties with Algeria's European neighbors.*



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interest rather than on the abstractions of revolutionary dogma. We expect Algiers in the coming years to emphasize stability and regional cooperation over ideological confrontation:

- In the Middle East, Algeria promotes Arab unity and seeks to avoid debilitating and divisive confrontations in the region. The extent to which Bendjedid can integrate Algeria into the Arab mainstream will determine directly the extent of Algerian support for Washington's Middle East policy.
- Strengthening the OAU and limiting superpower involvement in Sub-Saharan Africa are important objectives of Bendjedid's African policy. On issues like Chad, for example, Algiers will be critical of US involvement but will seek political solutions within the OAU to preclude the need for superpower intervention.

- In North Africa, Bendjedid is pursuing greater Maghreb unity, including the continuation of correct relations with Libya. Algiers, however, will remain distrustful of close US-Moroccan military ties and is not likely to endorse Washington's methods of dealing with Libya. We believe Algeria prefers a closer consultative relationship with Qadhafi as a means of containing him.
- Genuine philosophical differences—such as over the international economic order, Western Sahara, and North-South problems—will continue to precipitate public criticism of US policy. Nonetheless, we believe that these differences will not impede improved bilateral ties with Washington in the long run.

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Algerian-US relations will move most slowly in the sphere of military cooperation. Dependent on the Soviet Union for the bulk of its military equipment and technical training, Algeria is reluctant to endanger its relationship with Moscow. Much of Algeria's advanced equipment is relatively new, and Algiers will continue to deal closely with Moscow to keep its inventory operational. This dependence, in our view, is likely to restrain criticism of Moscow and thus perpetuate whatever impression there is that Algeria is Moscow's client. The confinement of this relationship and the availability of superior Western military technology, however, provide impetus to Bendjedid's cautious efforts to diversify Algeria's military suppliers. Algiers may turn to the United States for less controversial military equipment, but we believe Bendjedid will rely on Western Europe for any major Western weapon systems he wishes to purchase.

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