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Algeria: Developments and Dilemmas

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Summary

This report provides background information on the civil strife in Algeria, updating developments since the government abandoned talks with the Islamist Salvation Front in 1995 and began a process of institution-building. The result, however, did not restore peace. Rather, violence has become more indiscriminate. The culprits are harder to identify and may include government forces as well as Islamist extremists. Policymakers face the dilemma of wishing to hold the government to a higher standard of conduct as the upholder of the rule of law, while not wanting terrorists to benefit from criticisms of the government. The European Union, European governments, and the United States are reluctant to act for differing reasons, but support an international inquiry. For congressional concern, see H.Res. 374, April 28, 1998. For background, see CRS Report 96-392, *Algeria: Four Years of Crisis*.

Introduction

For over six years, Algeria has been plagued by intensely violent conflict resulting from a contest for power between Islamist political upstarts and an entrenched military/civilian elite. The Algiers government has tried both military force and political and economic reforms to end the crisis, with little success.

Background[1]

In October 1988, Algerians protested food shortages resulting from years of government mismanagement and corruption. The political system had been dominated since independence in 1962 by a single political party, the secular National Liberation Front (FLN), that had become entrenched and viewed as corrupt. After the riots, then President Chadli Bendjedid instituted reforms, including the legalization of political parties. In 1989, in the first multiparty local elections, the fundamentalist Islamic Salvation Front (FIS), which sought a state governed by Islamic law, was victorious.

[1] See also Mona Yacoubian, *Algeria's Struggle for Democracy*, Council on Foreign Relations, Studies Department, Occasional Paper Series No. 3, 1997.

FIS then won about 25% of the vote and 188 out of 430 seats contested in the first round of voting for parliament in December 1991. It was expected to win over a majority of the seats in the legislature in a second round. Before that round could be held, however, the army intervened in January 1992, forced Bendjedid to resign, and canceled the election. An extra-constitutional High State Council took over, with army officers clearly in charge despite civilian figureheads. FIS was banned and its leaders imprisoned. As the political path was closed, militant Islamists resorted to violence,[2] which was countered by that of the state. Thousands of innocent Algerians have been caught in the middle. Estimates of the number of deaths since 1992 vary greatly; the government counts about 26,000, but others estimate the total at between 65,000 and 100,000.

In January 1994, the High State Council chose Defense Minister Liamine Zeroual, a retired general, to be President. He held talks with the imprisoned FIS leaders through intermediaries. In October 1995, however, Zeroual declared the dialogue, whose goals he had never divulged, a failure for which he said the FIS leaders' reluctance to disavow violence was responsible. A powerful group of so-called "eradicators" in the army, intent on eliminating Islamism in Algeria, also may have blocked a political accommodation. After appearing to tack between eradicationist and accommodationist views, Zeroual vowed to "struggle against terrorism until final eradication."

Islamists

Algerian Islamists vary. FIS operated as a political party with political/religious goals. When it was banned in 1992, its two main leaders, Abassi Madani and Ali Belhadj, were imprisoned. The younger, fiery Belhadj has been held in incommunicado detention at an undisclosed location since 1995, when the government accused him of supporting terrorism. In July 1997, the government released Madani. In August, he publicly called for dialogue and for an end to bloodshed, prompting his house arrest for "unacceptable political activities." Other FIS leaders have been in exile since 1992, mostly in Europe. Leaders abroad and at home appear to be divided over tactics. FIS has been marginalized and is no longer considered a significant factor in domestic politics.

After Madani and Belhadj were detained, extremist Islamist elements became more active. The Islamic Salvation Army (AIS), the FIS military wing, claimed responsibility for attacks on sites and persons associated with the regime. It declared a unilateral cease-fire on October 1, 1997, and has since reportedly collaborated with the government against the rival Armed Islamic Group(s) (GIA). The GIA appeared to shift tactics from attacking foreigners to indiscriminate targeting of civilians in savage massacres, although it reportedly has denied responsibility for the latter. Little is known about the GIA. The U.S. State Department's annual report, *Patterns of Global Terrorism*, gives no estimate of its strength. GIA may not be one group, but several bands of fundamentalist terrorists, none of which may be responsive to a higher authority. Some acts that the government attributes to GIA may have been perpetrated by marauders, vengeance seekers, those with an agenda related to land privatization, criminals, or members of the security forces or local militias. Independent information is lacking.

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[2] There was some Islamist violence before 1992, but it cannot be compared to that which followed the cancellation of the election.

The Movement for a Peaceful Society (MPS/formerly Movement for an Islamic Society or HAMAS[3]) and En Nahdah are the legal, moderate Islamist voices which continued to work within the political system after 1992. MPS holds cabinet portfolios and the deputy leadership of parliament. It is very nationalistic, and calls for greater democracy and socioeconomic development to eliminate the underlying causes of extremism.

.Institution-Building

After ending talks with FIS, Zeroual adopted a different course to achieve domestic peace. He proceeded methodically with a process of institution-building: presidential elections, a constitutional referendum, election of a lower house of parliament, local elections, and the selection of an upper house of parliament.

In November 1995, the first multi-candidate presidential poll since independence was held. Zeroual won a five-year term with 61% of the vote. A moderate Islamist candidate, Shaykh Mahfoud Nahnah, garnered 25% of the vote. The election, while flawed, was believed to reflect the sentiments of the Algerian people. For example, Shaykh Nahnah's tally was similar to that of FIS in 1991. A November 1996 referendum approved a new Constitution which strengthened the executive, weakened the legislature, created a bicameral parliament, and restructured local government. New laws banned parties based on religion or ethnic identity prior to parliamentary elections. The lower house, or National Assembly, was elected in June 1997. The President's own new National Democratic Rally (RND), led by Prime Minister Ahmed Ouyahia, won 155 out of 380 seats. The FLN won 64; Nahnah's MPS, 69; En Nahdah, 34; and two predominantly ethnic Berber, secularist parties, the Socialist Forces Front (FFS) and the Rally for Constitutional Democracy (RCD), 19 each. The vote was peaceful and the turnout respectable; yet observers[4] found flaws in the process. Prime Minister Ouyahia was reappointed and formed a government with RND, FLN, and MPS members. Local elections were held on October 23. On December 25, 1997, local officials elected 96 members of the 144-seat Council of the Nation, the upper house of parliament. RND won 80 seats; FLN, 10; FFS, 4; and MPS, 2. Presidential appointees filled the remaining seats. Accusations of irregularities mounted with each election after 1995. Concern about the voting did not prevent opposition parties from participating in the national government, but most chose not to join local governments after severely flawed elections.

Modest hopes for democratization rest with the National Assembly, a potential source of national debate and legislative oversight of the government. In early 1998, Members debated the security situation in the country and skeptically questioned the Prime Minister. In July, for the first time ever, they rejected a government-proposed law regulating private security groups. The new Constitution still grants parliament less power than its predecessor had under the 1989 Constitution. The Assembly will be effective only if the President, his government, and the unofficial, but controlling, military-political authorities (referred to as "*le pouvoir*" or The Power) work with it.

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[3] Not connected with the Palestinian organization which has the same acronym.

[4] The National Democratic Institute for International Affairs sent election observers and prepared a report, *Algeria's June 5, 1997 Parliamentary Election*.

Economy[5]

The civil conflict in Algeria has economic as well as social causes. Algeria is a country of 30 million with a 2.21% birth rate. Housing shortages are acute, with 2 million new units needed. Official unemployment is 28%, but is higher unofficially and among the young. About 70% of those under age 30 are un- or under-employed. Yet, Algeria is not a poor country. It is rich in hydrocarbons (oil and natural gas), which account for 57% of government revenues, 25% of the GDP, and almost all export earnings. Gross domestic product (GDP) per capita was estimated at $1,579 or mid-range in 1997; but income distribution is inequitable and poverty is widespread. .

With the 1989 reforms, Algeria began a transition from a highly centrally-controlled to a market economy; but change has been slow. In 1995, the government concluded an agreement with the International Monetary Fund, linking a 3-year $1.04 billion loan to macroeconomic reforms, which prompted the Paris Club of international creditors to reschedule Algeria's debt. These two actions combined with a good harvest to spur the economy briefly. GDP growth rate rose in 1995 and 1996, but dropped by 1% in 1997 due to low oil prices. State enterprises still employ about 70% of all workers and make up most of the industrial sector. The governments rejects the idea of another IMF accord.

Violence and Culpability

The U.S. State Department and international human rights organizations hold the government and Islamist terrorists responsible for human rights violations.[6] The greatest abuses have been assaults on human life, such as massacres, murders, and extrajudicial executions. In 1997 and 1998, the targeting of women, children, and families increased. Other abuses include restrictions on freedom of the press, assembly, and movement; political interference with the judiciary and legal system; and election irregularities.

Assigning responsibility for barbarities has been problematic. The government bristles at comparisons to terrorists, while its critics argue that a government charged with upholding the rule of law must be held to a higher standard of conduct than terrorists who have no standards. Uneasy questions about possible outlaw conduct by the government arose when security forces based near sites of ongoing massacres failed to respond to calls for help. The government countered that security forces have narrowly defined missions, lack counterterrorism training, or are not equipped properly. Evidence has shown, however, that perpetrators often have been armed only with homemade or rudimentary weapons. Furthermore, the government has created some 5,000 local militias, called communal guards, self-defense groups, or "patriots," which are not well-trained, may not be controllable, and often have cause to act for revenge. An upsurge in violence coincided with the increase in militias and the apparent disarray among terrorists

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[5] Economic statistics are mostly from U.S. Embassy Algiers, FY 1998 *Country Commercial Guide: Algeria*, released August 1997, online.

[6] See U.S. State Department, *Country Report on Human Rights Practices for 1997*; Human Rights Watch, *1998 World Report, Algeria*, and *Algeria: neither Among the Living nor the Dead: State-Sponsored "Disappearances" in Algeria*, February 1998; Amnesty International, *Algeria: Civilian population caught in a spiral of violence*, November 1997; and Rights Groups Attack Euro MPs for Algeria Stance, Reuters, February 25, 1998.

Inquiries and Policy Dilemmas

The conflict in Algeria is domestic and homegrown. International organizations and foreign governments can intervene or assist only if permitted by the government. The 1998 Ramadan (approximately January) massacres intensified international attention on Algeria. The United Nations (U.N.), many governments, and human rights groups called for an inquiry into the situation because solid information was lacking. They argued that the government's credibility would benefit if an inquiry eliminated suspicions of its complicity. Algiers responded that an inquiry would be an unacceptable interference in its domestic affairs and a propaganda vehicle to blame security forces and legitimize terrorists. The European Union (EU), European Parliament, some European governments, and Canada sent fact-finders, but Algiers controlled their visits by selecting domestic interlocutors, extracting promises that the visitors would not meet FIS representatives, and preventing visits to massacre sites. Algeria demanded that the Europeans control "terrorist networks" operating in their countries. The Europeans promised to comply, but made no demands on the Algerians in return. The U.N. Human Rights Commission annual meeting in March-April was silent on the situation in Algeria, to the dismay of the human rights community.

The Algerian government resisted calls for an inquiry, but it took pre-emptive actions to show it was in control, arresting a few local officials and over 100 militia members in April for complicity in massacres and other human rights abuses. After the G-8 group of world economic powers urged it to be more open in May, however, Algiers may have become concerned about the impact its stonewalling policy might have on needed foreign investment. For whatever reason, U.N. Secretary General Kofi Annan surprisingly announced on July 2 that a very high-level, fact-finding mission led by Former Portuguese Prime Minister Mario Soares, and including former Jordanian Prime Minister Abdel-Karim Kabariti, former Indian Prime Minister I.K. Gujral, former French Secretary of State and President of the European Parliament Simone Weil, former U.S. Ambassador to the U.N. Donald McHenry, and Kenyan Attorney General Amos Wako would visit "at the invitation of the Algerian government," which promised them free and complete access "within the law.". From July 22 to August 4, the delegation met with President Zeroual, government ministers, political party leaders, editors, directors of human rights groups and other government critics, and lawyers for FIS, but not with outlawed FIS leaders. The delegation visited sites of two massacres and a prison where an infamous slaughter of Islamists had occurred in 1994. The Soares group will report its findings to the Secretary General, but will not make any recommendations. The U.N. cannot interfere unbidden in the domestic affairs of a member state.

The entire inquiry issue may disguise a disinclination in the international community to act and to hold the Algerian government accountable. While concerned about the violence, Western governments believe that they have little policy leverage and are unwilling to exercise what leverage they have with Algiers. The EU has the greatest potential influence because it has the biggest carrot: Algeria wants an association or preferential agreement with the EU from which it would gain trade, aid, and other benefits. Negotiations are underway, but the EU has not made an accord conditional on non-economic concessions by Algiers in human rights, transparency, or accountability. Some European governments may accept a status quo that has not brought a massive influx of Muslim immigrants who might stir their domestic politics, fueling right-wing, nationalist groups. France, whose colonial legacy complicates its relations with Algeria,

is extremely hesitant to act for that reason and for others. Algerian terrorists bombed sites in France in 1995 because Paris supports the Algiers regime. Paris then deferred more to the EU in order to mask French policy somewhat. France provides under $1 billion in aid annually to Algeria, mostly as credits for French goods. France's hold on 25% of the Algerian import market has been ensured by the "*pouvoir*." Moreover, in principle, Paris dislikes use of economic weapons in foreign policy. Finally, Italy, France, and other purchasers of Algeria's oil and natural gas are very satisfied with Algiers' ability to keep the pipelines flowing.

U.S. Policy

The United States is more geographically distant from Algeria, has less leverage than the Europeans, and fewer national interests involved. Primarily due to its revolutionary and socialist past, Algeria never received much U.S. aid. In FY1998, it received only $125,000 in military training (IMET) funds, with the same amount requested for FY1999. U.S. businesses are invested heavily in Algeria's hydrocarbon sector and related construction projects. Many depend on Export-Import Bank (exposure $2 billion+) and other U.S. credits and guarantees, and undoubtedly would oppose use of credits to pressure Algiers. Moreover, they are pleased with the Algerian government's creation of desert exclusion zones for oil company operations and enhanced security at installations. U.S. oil facilities and workers have not been victims of the violence. In 1997, U.S. imports from Algeria, mainly natural gas, totaled $2.4387 billion. Exports totaled $694.9 million.[7] U.S. businesses have not attempted to influence the regime. Should they offend Algiers, European firms would replace them readily.

The Administration has exerted mild pressure on Algiers, joining international entreaties for an inquiry, while tacitly deferring to the Europeans' greater interest. Former Deputy Assistant Secretary of State for Near Eastern and North African Affairs and former U.S. Ambassador to Algeria Ronald Neumann called on the Algerian government to do more,[8] but emphasized the long-term, when positive socioeconomic change and democratization may root out the causes of violence. In February 1998, the State Department sponsored a visit by Algerian deputies to the United States to familiarize them with democracy. Assistant Secretary Martin Indyk condemned violence, and suggested that Algeria would benefit from answering questions about its human rights practices.[9] U.S. Ambassador to the U.N. Bill Richardson also called for "positive steps to improve transparency in Algeria."[10] Some Members of Congress, believe that the United States could exercise greater moral suasion and leadership as the remaining superpower and standard bearer of democracy. The House of Representatives held hearings and passed H.Res. 374.April 28, 1998, on the violence in Algeria.

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[7] U.S. International Trade Commission, Trade Database -- Web Access.

[8] At February 5, 1998, hearings of the House International Relations Committee Subcommittee on Africa.

[9] Reuters, March 14, 1998.

[10] Reuters, March 25, 1998.