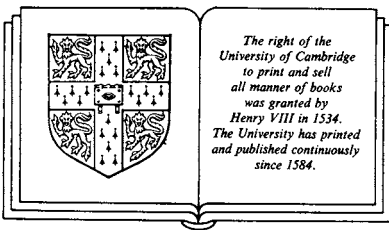

*The making of
contemporary Algeria,
1830–1987*

Colonial upheavals and post-independence
development

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Introduction

This is a study of Algerian development and underdevelopment, and particularly of socio-economic change under both colonial and post-independence conditions. In order to comprehend the nature and extent of the transformations during these two periods, I have studied the pre-1830 socio-political and economic institutions and patterns. Indeed, since such consecutive historical phenomena are structurally and causally interconnected, I could not analyse them in isolation from one another. To do so would have risked providing only partial explanations to a highly complex and multi-layered socio-economic and political reality in constant movement and change. To quote Albion Small: 'conditions are what they are, events occur as they do, because, a long chain of antecedent conditions and occurrences has set the stage and furnished the motives'.¹ Indeed, contrary to erroneous leftist voluntarism, it is a well-established fact that 'men make their own history, but they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past'.²

A study of the making of contemporary Algeria therefore requires a diachronic analysis. In the words of André Gunder-Frank, 'the essence of concrete and real history is a diachronical interaction between the structure of change and the change of structure'.³ Again, according to Anthony Smith

change consists in temporal, event-referring, motion of spatial patterns resulting in clear difference from the preceding pattern (or state of patterns), (socioeconomic) change is pre-eminently historical in nature, . . . it is essentially concerned with sequence of events and movement in space and time; and hence . . . change cannot be studied apart from the historical record, which indeed must form the starting point of every investigation in this field.⁴

In attempting to reconstruct analytically the three consecutive socio-economic systems which prevailed in pre-conquest, colonial and post-independence Algeria, I came to realise that, despite disruptive upheavals and apparent historical discontinuities, these superimposed structures not only preconditioned and shaped one another to a certain degree, but also

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continued to influence the course of contemporary Algerian political, social and economic history. In other words, the nature of French colonialism cannot be comprehended without an analysis of pre-1830 Algerian society and economy.

Several scholars had tried to explain the nature of the pre-1830 socio-economic system. For Samir Amin Maghrebi society was characterised by a dominant 'tributary mode of production'.⁵ But, according to René Gallissot, it was a semi-feudal mode of production (*féodalité de commandement*) that prevailed in pre-colonial Algeria.⁶ However, these two authors failed to identify the specific features characterising this socio-economic organisation.

Abdelatif Benachenhou⁷ attempted to demonstrate the co-existence of a statist tributary system and a communal socio-economic organisation. The latter appeared to him to be more important than the former. According to him the relationship between these two systems mediated by the capacity of the state to levy tribute from the producers was weak and instable. They were articulated by a dominant-dependent relation which was very fragile, as was demonstrated on the one hand by the 'slow development of colonialism' and on the other by 'the capacity of resistance of the communal system'.

This analysis highlighted the mode of production prevalent before 1830. It accorded more importance to the understanding of the working of the communal economic system, which constituted the essential object of colonisation to which it owed its advances as well as its limits. In this communal system the acquisition of the main means of production (land) was almost impossible through the medium of money, because its 'reproduction' excluded the individual or collective sale. In other words, land was not considered to be a mere commodity that could be bought and sold in the market place. The system of land tenure determined the inalienable nature of land. 'This economic system was subjected only temporarily and in a very unstable fashion to the statist tributary economic system.' This unstable domination was, according to Benachenhou, responsible for the fact that the dominant ruling class, which consisted mainly of a small Turkish and Turkified group, was unable to exercise a total and efficient control over the means of production. Nevertheless, this situation did not mean that the ruling group did not have an economic basis. However, its subjection and elimination as a political class by the French invading army did not, in fact, open the way to the colonisation of the means of production of the communal system.

My approach to the study of the pre-1830 socio-economic structures and patterns and their connections and articulations with the central state system differs from the reductionist 'economism' of these three authors.⁸

Since the economic system was inextricably embedded in the socio-political organisation, we should give them equal importance by analysing them in terms of the theory of segmentarity. Indeed, pre-colonial Algerian society was made up of various autonomous and semi-independent socio-economic segments that were loosely and differentially integrated into a central segmentary state system. In order to comprehend the functioning and inter-relationships of what Benachenhou had dichotomised into a statist tributary system and a communal system we must undertake a concrete empirical analysis of the multi-various structural units making up a highly segmentary socio-political and economic order.

However, despite their segmentary nature, the capacity of the Algerian rural collectivities to resist foreign military encroachments is a well-established historical fact. Although efficiency and military discipline had distinguished the French army since the revolution of 1789, which 'discovered or invented total war: the total mobilisation of a nation's resources through conscription, rationing, and a rigidly controlled war economy, and virtual abolition . . . of the distinction between soldiers and civilians',⁹ the Algerian rural population transformed the colonial conquest into a protracted and devastating war. In the words of the Egyptian economist S. Amin,

The collapse of the regency government and the war of extermination undertaken by the French army gave this early period (1830–1884) certain special characteristics, which are not found elsewhere . . . faced with military power, the urban ruling class was thrown into thorough disarray and could think of no other alternative but flight . . . As for the peasants, flight was out of the question. Faced with the threat of extermination, they turned the Algerian countryside into the terrain for a fifty-years war which claimed millions of victims.¹⁰

Besides the military and political ramifications of this conquest, the introduction of capitalism, in its colonial form, involved the destruction of the pre-1830 socio-economic structures and patterns. This destruction was accompanied by a coercive restructuring of Algerian society along capitalist lines, resulting in the pauperisation and proletarianisation of the rural population and the development of a colonial agrarian capitalism.

The process of capital accumulation in colonial Algeria was marked by three successive stages. The 1830–80 period saw the emergence and slow development of a colonial capitalism which was seriously thwarted by the resistive and elastic nature of the endogenous socio-political organisation; it was also hampered by the inadequacy and incoherence of French agrarian, commercial and financial policies. The primitive accumulation of capital took place during this period, which coincided with the consolidation of industrial capitalism in France. The second stage extended from 1881 to

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1930. Basic economic indicators reveal that the social process of capital accumulation associated with mature capitalism has become dominant. Indeed, despite recurring crises, the growth of exports, the employment of the labour force and the expansion of commercial transactions become important features of the Algerian colonial economy.

The last stage of capital accumulation under colonial conditions, which covered the 1931–54 period, was characterised by the stagnation of agricultural production and slow industrial growth. During the Second World War and the occupation of France by the German army, an industrial policy of import-substitution resulted in the installation of a few factories, specialising in the production of consumer goods. However, as soon as the war was over, most of them either went bankrupt or were shut down by their metropolitan owners. Thus, the unwillingness of the French to industrialise their colony, coupled with the conservative nature of colonial agrarian capitalism, had caused the decline of capital accumulation.

In sum, colonisation ushered in a double-contradictory process of uneven and 'extraverted' development. In other words, not only was the development of the colonial sectors made possible by the underdevelopment of the autochthonous traditional sectors, but that development was also geared to the extraction and/or cultivation of mineral and vegetal raw materials for export to the French metropolis. Thus, capital accumulation under colonial conditions stimulated the growth of the latter and the decay and disintegration of the former. This state of affairs resulted in the pauperisation and proletarianisation of a growing number of the Algerian population. The logic and exigencies of the colonial system were thus bound to generate a severe socio-economic crisis which accentuated the political antagonism between the colonised and the colonisers. Indeed, the crisis of capital accumulation and its consequences coincided with the ascendancy of Algerian populist nationalism. In other words, the nature and degree of French colonisation had conditioned and even moulded the form, intensity and consequences of the struggle for independence carried out by the most radical nationalist movement. This movement was known between 1926 and 1937 as the North African Star (ENA); between 1937 and 1946 as the Algerian People's Party (PPA); and between 1946 and 1954 as the Movement for the Triumph of Democratic Liberties (MTLD), whose consequent militants established the FLN and the ALN, which waged the war against the colonial power between 1954 and 1962.

By 1962 Algeria had wrested its independence from France after an eight-year war of national liberation. Most of the countryside had been devastated; the French settlers, who had controlled the public administration and managed the economy, fled to Europe. The basic activities of the new nation were almost at a standstill.

The situation was worsened by a severe political crisis within the National Liberation Front (FLN) and the National Liberation Army (ALN). Upon the proclamation of the cease-fire on 19 March 1962, which followed the signing of the Evian agreements concluded between the provisional government of the Algerian Republic (GPRA) and the French government, a struggle for power broke out between the leaders of the FLN and the ALN.

The tragic events of the summer of 1962 were precipitated by what amounted to a *coup d'état* perpetrated by Ahmed Ben Bella, one of the Vice-Presidents of the GPRA, at the instigation of the putschist officers of the external ALN headed by Houari Boumedienne, against a historically legitimate provisional government. This legitimacy resulted from the fact that the principal leaders of the GPRA had just led the country to independence under extremely difficult wartime conditions. This *coup d'état* had not only discouraged the majority of the people, particularly the hard-core militants of the interior who supported all the weight of the war, but had also paved the way for the ascendancy and consolidation of a conglomerate of anti-national, anti-popular and anti-socialist class forces. Their narrow economic interests and ideological archaism made them in the long run insuperable obstacles to the construction of an independent socialist society and economy, geared to the satisfaction of the needs of the popular strata.

However, in the short run, confronted with a vacuum, the Algerian workers, with the assistance of the trade unions, set up self-management committees in the agricultural, industrial and even service sectors, in order to keep production going. Thus, the first regime of independent Algeria (1962–5) came to be associated with the so-called movement of self-management. However, workers' self-management involved only agricultural estates, industrial firms and commercial companies left idle by the departed settlers; national private interests and the local subsidiaries of multinational companies remained untouched. The lack of a coherent economic policy and the absence of experienced skilled manpower resulted in a serious economic and social crisis whose immediate consequence was the second *coup d'état* of 1965, perpetuated by Boumedienne, Ben Bella's Vice-President and Minister of National Defence, and his group, which consisted of the officers of the ALN stationed in Tunisia and Morocco during the war.

The economic and political disorder created by the departure of the settlers and accentuated by the incapacity of the first regime to formulate an adequate policy of development made this second *coup d'état* inevitable. The immediate task of the second regime (1965–78) was to construct a strong state, capable of developing the country and hence creating the conditions for the restructuring of Algerian society.

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At this time there were at least three political forces representing conflicting interests. The majority of the so-called revolutionary council advocated what may be called a *comprador* development; that is, they were willing to let a new breed of middlemen (*compradors*) – who were anxious to become the local representatives of multinational companies – play an important role in the development of the country. A small nationalist-populist group pushed for a so-called non-capitalist path, which implied the nationalisation of foreign interests and the establishment of public companies. A left-wing minority, represented mostly by the Algerian Communist Party, preferred a socialist development. President Boumediene arbitrated in favour of the nationalist-populist approach and instructed his Minister of Industry and Energy to prepare for the gradual nationalisation of all foreign interests in the country, and to formulate a strategy of development based on industrialisation.

The problematics of this economic development can be stated as follows: given the limits of Algerian agriculture, the high rates of redundancy and underemployment in the rural areas, accentuated by one of the highest rates of demographic growth in the world, and the increasing number of the jobless in the urban centres, industrialisation was and continues to be the only feasible option. In the modern world no nation can develop an efficient economy without the establishment of basic national industry, which alone is capable of stimulating the growth of all other sectors. According to this strategy, industrialisation constitutes a *sine qua non* for the construction of a viable economy, without which no society can resolve its fundamental problems or create a modern state strong enough to resist external pressures and encroachments, and to avoid internal stagnation and decay. It was also considered the basis for the revolutionisation of the mode of production.

The post-independence strategy of development was predetermined by specific historical, social, economic and political factors. The colonial situation and the conditions under which the country had wrested its independence were bound to induce the nationalist leadership to nationalise all foreign interests and to hand them over to public companies. This strategy of development appeared to be primarily a strategy of economic growth because the emphasis was put on the development of productive forces as a guarantee of the realisation of national independence through industrialisation.

The major direction of this strategy was derived from the conception of development apprehended in relation to the nature of underdevelopment, considered as a by-product of colonisation. The colonial situation had transformed the Algerian economy into an 'extraverted' and 'disarticulated' economy. This conception of development was, in the words of

Boumedienne, based upon 'the fundamental idea that development as well as its social and political finality . . . is inseparable from our conception of socialism as defined in the national charter' adopted by the nation in 1976. This charter presents socialism in Algeria as 'a process underlying the national movement of liberation and provides a coherent answer to the problems of our time'.¹¹ This strategy of development aimed at the realisation of three main objectives:

- 1 The consolidation of national independence
- 2 The construction of a society free from the exploitation of man by man
- 3 The promotion of man and his fulfilment.¹²

The fulfilment of these objectives entailed, first of all, that the state must not only nationalise the country's resources, but also undertake their processing in order to increase their utilisation by the national economy instead of exporting them as raw materials to advanced capitalist countries. This would progressively put an end to the 'extraversion' of the Algerian economy engendered by the colonial situation, and so stimulate the construction of a complete productive apparatus, capable of providing full employment, inputs required by various production units and sectors and hence the satisfaction of the basic needs of the popular strata of Algerian society.

The populist socialist option which was proclaimed successively by the programme of Tripoli of 1962, the charter of Algiers of 1964, and the national charter of 1976 as the most fundamental, irreversible option, appeared to the leadership and the people to be the only possibility. Such a course was dictated by the disastrous results of colonial capitalism. Therefore, development was viewed as a desperately needed basis for the economic independence and social progress of the nation. Its ideological foundation – which was derived from the political programmes of the first nationalist movement, the North African Star (1926), the People's Party (1937), the Movement for the Triumph of Democratic Liberties (1946) and the wartime National Liberation Front – was economic nationalism. According to Benaouda Hamel, 'what was sought was first of all the realisation of national independence through the realisation of economic independence as a complement and consolidation of political independence'.¹³ As the national charter put it, 'a genuine independence postulates economic independence, which is essentially based on the acquisition of national resources, the appropriation by the community of the basic means of production, a balanced external trade, the financial independence of the state and the creation of a national market as well as the mastery of technology'.¹⁴

This strategy of development, whose ideological foundation was economic nationalism, fostered and cemented politically by a pervasive

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social populism, derived from a sort of traditional gentile democratism, reinforced by a revolutionary egalitarianism of the period of the popular war of independence, was supposed to be the political expression of the national union of diverse social or class forces. In the course of the implementation of this strategy of development, which implied constant conflict with the former colonial power, Boumedienne attempted to elaborate a corresponding political strategy favouring the emergence and consolidation of an alliance between the anti-imperialist social forces of the revolution: workers, peasants, and young people, whose mobilisation was deemed necessary for the fulfilment of the nationally planned objectives of development, geared to the satisfaction of their needs. Indeed, the Algerian strategy of development of the 1967–78 period, which discarded the theories of development propagated by the economists of the advanced capitalist countries, defied the control of the imperialist and neo-colonial powers over the resources of the third world countries. The national charter denounced these theories and strategies advocated by ‘the proponents of the world imperialist system, which continued to exploit the resources’ of the underdeveloped regions. These theories and strategies intended to ‘influence the policies of development of the third world and to reorientate them in such a way as to preserve the interests of the imperialist countries’. The underdeveloped countries should try to undermine ‘the foundations of the [old] economic order, which has been at the service of the interests of the imperialists’¹⁵ and to replace it by a new equitable world economic order, based on mutual respect and fair shares.

In sum, the strategy of development adopted by Boumedienne called for national austerity in order to establish an efficient and modern productive apparatus and to train sufficient engineers, managers, technicians and skilled workers capable of mastering the newly imported industrial technology. The planners projected that by the 1980s Algeria would become an industrialised, economically independent society where full employment and the repatriation of emigrant workers in Europe would be achieved.

By 1967, before even formulating a perspective of development, the second regime set aside all political institutions inherited from the previous regime, thereby undermining any chance for the establishment of a genuinely representative government in the country. Thenceforth, acting on behalf of society but without consulting it, the state exercised all powers: executive, legislative and judiciary. Furthermore, as the process of nationalisation of economic assets progressed, the state became the principal agent of industrialisation and development, which reinforced its political, social and cultural omnipresence within society. In the absence of democracy, the state apparatus came to be run by an awkward bureaucracy unaccountable to its citizens. This state of affairs stifled the population,

especially in the political and cultural spheres, despite the substantial progress which had been made in industry and in some social services.

Despite a high rate of demographic growth and a rapid rate of urbanisation, agricultural production stagnated. The development of social and cultural services kept pace neither with the rhythm of industrialisation nor with the population increase and the increasing demand generated by the growth of the gross domestic product and the improvement of the standard of living of a large segment of the population. This unbalanced sectoral growth generated intractable problems, which compounded and magnified the political and social contradictions caused by the process of development. These imbalances were caused primarily by the striking lack of dynamism exhibited by the non-industrial sectors, which was brought about by the maintenance within the regime of class forces hostile to socialism. Their political reluctance to have a genuine national and popular development of the economy under the aegis of the state and the mediocrity and incompetence of the overwhelming majority of their leaders, whose limitations prevented them from even attracting efficient advisers, experienced administrators and managers, have been chiefly responsible for the uneven development of the various sectors of the national economy. This unwillingness can be explained by the fact that almost all of the members of the so-called revolutionary council, a self-appointed executive committee that supposedly formulated the policy of the state from 1965 to 1979, privately favoured an economic development geared to the aspirations of a growing number of Algerian *affairistes* (businessmen) specialised in *comprador* parasitic activities (for example, import-export).

Indeed, despite the predominance of the public sector, private enterprises benefited greatly from the 1967-78 period of development. The emergence of private entrepreneurs, speculators and middlemen associated with the private sector reinforced the position of the pro-*comprador* elements within the power structure. These elements, although they had managed to accumulate significant amounts of capital in the shadow of the public sector, had always preferred a non-planned and non-regulated development that would allow them to become local representatives of multinationals rather than nationally orientated dynamic entrepreneurs. Their political influence was so great that, upon the death of Boumedienne in December 1978, economic policy was changed in favour of the private sector, accompanied by a shift in the development priorities and the destructuring of the industrial public corporations, which amounted to a debilitating atomisation.

In addition, the recent so-called 'liberalisation' of the economy has not been accompanied by the institutionalisation of democracy in the political field. On the contrary, the exercise of power is more authoritarian than

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ever. If this trend continues the progress of development itself may be thwarted. Social pressures, magnified by a high rate of population growth, are being opposed by the growing influence of right-wing political forces, a fact that may transform Algeria, in the foreseeable future, into a Latin-American style authoritarian republic dominated by local oligarchies, closely tied to a foreign power. Since 1979 the dominant political forces have been pushing Algeria into a process of underdevelopment despite two decades of rapid economic growth. This is why the success or failure of development is determined by political rather than technical factors. Therefore, an analysis of development at the macro-economic level has to take into account the social forces underlying Algerian politics. The social forces underlying Algerian politics had in the past, and continue to have, differing views regarding the purpose and nature of development. These social and political aspects, which constitute, in my opinion, a determinant factor in the success or failure of industrialisation, have been overlooked by the theorists of development.

Indeed, in the case under study, the major problems encountered in the process of development were caused primarily by the lack of democracy. Therefore, any genuine development which aims at the general well-being of the population necessitates the institutionalisation of democracy at every level of decision-making. The democratisation of political, economic and social institutions would have transformed the citizens into free individuals, conscious of their prerogatives, duties and responsibilities, a fact that makes the office-holders accountable to the population through its freely chosen and elected representatives. This could be done even within the framework of the single party. In other words, democracy is not just a philosophical abstraction or political slogan, but a highly efficient and practical way of managing society, if applied without any restriction or mystification. Only a political system based upon clearly defined principles of social justice and guaranteeing to the citizens freedom of expression, freedom to choose and elect their representatives and freedom to determine their own individual lives and collective future can mobilise the people for the construction of their society. In short, there is a dialectical relationship between development and democracy. Development must aim, among other things, at the realisation of democracy, which promotes and consolidates the process of development. The two are as inextricably intertwined as the processes of development and underdevelopment were during the colonial period.

Consequently, since the making of contemporary Algeria has been determined and moulded by the unfolding of historical processes, events and upheavals, this work has to begin by delineating and comparing the essential features characterising both the French and the Algerian societies

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and economies on the eve of 1830. Such an historical reconstruction and comparison should enable us to comprehend and highlight the major changes, disruptions, disintegrations and transformations that occurred during the subsequent periods: colonial (1830–1962) and post-independence (1962–87).