

Algeria: Democratisation in the Context of Economic Failure (1989-1999)⁽¹⁾

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Abstract: This paper presents a fresh discussion of the political “opening” in Algeria from the analytical and interpretive perspective of political economy. It is premised on the assumption that a transition from a totalitarian, authoritarian system to a democratic system presupposes a transition from a rentier economy tied to foreign markets and controlled by rentier constituencies to a productive economy based on the national bourgeoisie’s exploitation of local labour to create wealth. Based on this premise, the paper argues that the democratic transition in Algeria stalled because rent-seekers thwarted the transition to capitalism that would have allowed the rise of two key factors in the democratic equation: the bourgeoisie and the working class. The political elite controlling the rentier economy would have accepted political reforms, but not the economic reforms that could reconfigure hegemonic relationships within Algerian society and liberate that society from the regime’s grasp. The scuttling of the economic reforms set in motion by the Hamrouche government (1989–1991) were a prelude to thwarting the democratic transition and preventing the evolution of both a civil society capable of carving out its independence from the state and an Algerian state independent of the global market.

Democracy

Democratic Transition

Capitalist Transition

Structural Adjustment Program

Reformist Government

Introduction

The socioeconomic crisis into which Algeria was plunged in the mid-1980s led to the popular uprising of 5 October 1988, during which Algerians took to the streets to protest the rising cost of living, shortages of basic goods, unemployment, and corruption and demand thoroughgoing political reforms. The regime initially met the demonstrations with violence, but then launched a comprehensive reform program that culminated in the adoption of a new constitution on 23 February 1989 that affirmed political and trade union pluralism and economic liberalism. Formally speaking, it remains possible that what political science and the literature on democratisation calls

“the Arab exception” will become a thing of the past, although there are no historical guarantees. Algeria, after all, is an Arab country that embarked on democratisation and, in fact, from 1989 to 1992 experienced a pluralistic political life in which municipal and parliamentary elections were convened and the opposition (the Islamic Salvation Front, or FIS, and the Socialist Forces Front) won a majority of seats.⁽³⁾

But the authorities saw the outcome of the first round of parliamentary elections in December 1991—in which the FIS took 188 of 228 seats—an existential threat to the state and regime. They therefore stepped

¹ This study was originally published in Issue 51 (July 2021) of *Siyasat Arabiya*, a bimonthly peer-reviewed political science and international relations journal, and translated by Mandy McClure.

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³ For more on this short political experiment, see: Myriam Ait-Aoudia, *L'expérience démocratique algérienne 1988–1992* (Paris: Presses de Sciences Po, 2015).

in on 12 January 1992 to suspend elections, refusing to move forward with the second round. The High Council of State was formed, composed of civilians and military figures, which banned the FIS and declared a state of emergency.

Three years later, in a climate dominated by armed violence, electoral politics resumed. The regime organised presidential elections in 1995, bringing Liamine Zeroual to the presidency (1995–1999). This was followed by a constitutional referendum in 1996 and legislative elections in 1997, which saw the Democratic National Rally (RND) emerge as the leading political force only months after its founding. Since then and down to the present day, parliament has remained firmly in the grip of parties allied with the regime, namely the RND and the National Liberation Front.

Algeria's stymied democratic transition seems to have been totally forgotten by Arab political scientists and theorists of the democratic transition when they were suddenly faced with the revolutions of the Arab Spring in late 2010 and early 2011 and the subsequent coups against them. It was not long before some of them began to call for a reconsideration of the literature on the capitalist roots of democracy, the Arab authoritarian exception, and the rentier state's resistance to democratisation — in short, everything that Azmi Bishara has termed "the Arab question".⁽⁴⁾ In 2012, a year after the uprisings began, an article by Mohammed Hachemaoui appeared in the *Revue française de sciences politiques*⁽⁵⁾ stressing the need to revisit the "rentier paradigm", since events in Egypt and Tunisia had refuted the premises on which it was based. Countless articles appeared in Arabic periodicals while dozens of seminars and conferences were organised around revolution, democratisation, the Arab Spring, and other relevant themes.⁽⁶⁾

But in the wake of the tragic unfolding of events in most Arab Spring countries, with the exception of Tunisia, these enthusiasts and optimists rushed to find a scapegoat to justify this "deviation" from the assumed script. With the same haste with which the literature on the Arab exception had been cast aside, Arab political science found in foreign intervention a basic explanation, not only for the permanence and reconsolidation of tyranny, but for the derailment of democratisation. Instead of taking the Tunisian exception as a starting point for a reconsideration of their own theoretical position — insofar as Tunisia at that time (2019) had not experienced a counterrevolution or slid towards civil war — commentators invoked the foreign factor as the principal obstacle to democratisation, based on events in Egypt, Libya, Yemen, and Syria, where some Arab Gulf states and Western states had intervened to support counterrevolutions and traditional systems or to militarise politics. All the while, the discussion largely neglected the historical and theoretical conditions that made it possible to evoke the external factor at all in a discussion of democratisation in the Arab context.

Keeping in mind the Algerian lesson, and with the caveat that the role of external regional and international powers in supporting tyranny and counterrevolutionary forces cannot be excluded, it must be noted that the reluctance of external powers to support tyranny does not necessarily mean that democratisation will ensue; the pillars of despotism must be distinguished and understood separately from the conditions for democratic transition. With these qualifications in mind, this study posits that Arab societies' economic attachment to rents of all kinds is one of the key reasons for the stalled democratic transition because democratisation is associated with an economic transition to productive

4 Bishara defines six issues that he describes as long-standing, basic barriers to democracy in the Arab world, expanding on each in a chapter: democracy and the rentier state; culture as impediment; tribalism and the state; nationalism, religion, and the problem of identity; citizenship between homogeneity and diversity; and democracy, political groups, and identity. See: Azmi Bishara, *al-Mas'ala al-'Arabiyya: Muqaddima li-Bayān Dimuqrāṭi 'Arabī*, 3rd ed. (Beirut: Centre for Arab Unity Studies, 2014).

5 Mohammed Hachemaoui, "La rente entrave-t-elle vraiment la démocratie? Réexamen critique des théories de l'État rentier' et de la 'malédiction des ressources'," *Revue française de sciences politiques*, vol. 62, no. 2 (2012), pp. 207-230.

6 The annual conference on democratisation organised by the Arab Centre for Research and Policy Studies since 2011 may be the most important by far. See a review of the proceedings at: The Annual Conference on Democratic Transition, accessed on 17/5/2022, at: <https://bit.ly/3rJ1k0>

capitalism. Rent-seeking constituencies⁽⁷⁾ realise that the loss of power means the loss of all their economic privileges and for this reason, they act to abort any transition towards productive capitalism and avoid subordination to market laws.

To test this thesis, I rely on a political economy approach, which gives us a conceptual apparatus to understand the historical relationship between politics and the economy. Putting democracy in the historical context in which it first emerged allows us to comprehend its bourgeois dimensions and its relationship to the historical compromise between capital and labour. Similarly, a political economy approach to the experience of democratisation in Algeria allows us to understand the political regime's stakes in the rentier economy while concepts like

unions, labour rights, and the labour force help us to understand and interpret the Tunisian exception to the Arab Spring revolutions, as well as the Algerian failure in the early 1990s.

The paper will examine the stalled political and economic opening in Algeria, attempting to test the strength of the thesis that democratisation is contingent on the transition to productive capitalism — that is, a transformation in the objective foundations for the material reproduction of society — and that the failure (or wilful thwarting) of this opening means the thwarting of the democratic transition. But before this, we must show how this theory is bound up with the issue of foreign intervention as a barrier or facilitator of democratisation.

International Relations, Capitalist Transformation, and Democratisation

The historical context in which modern democracy evolved in the 18th century in Western Europe is quite different from today's context for democratisation outside Europe. The nation state in Europe took shape prior to the globalisation of the economy. The market — the historical vehicle for bourgeois democracy and civil society — developed locally and relatively naturally, absent competing foreign markets that would suffocate it the way global markets stifle the economies of the Global South today.

Most Arab societies, at that time straining under European (capitalist) colonialism, absorbed the effects of the Western capitalist market while still in the pre-modern, pre-nation state phase. These are societies living with the consequences of the international division of labour: a Western centre producing goods and services and a periphery of consumers exporting raw materials. German thinker

Hartmut Elsenhans has explored this problem at length and remains among those who cling to the idea that democratisation is linked to a successful transition to capitalism. Having examined obstacles to this transition in Arab states and countries of the Global South, he concluded that the key issue is the lack of a vision for transitioning from a rentier economy to a productive capitalist economy⁽⁸⁾ and the resistance of rent-seekers to every initiative for economic liberalisation outside of a crony capitalist model.⁽⁹⁾ In this regard, Elsenhans writes, "The development of capitalism within the Global North while the Global South shouldered the repercussions of the entry of economic and social market relations in local communities without absorbing the features of capitalism itself (most importantly, the labour force's ability to bargain) led to further immiseration and hence blocked the transition to capitalism".⁽¹⁰⁾ Samir

7 On the concept of rentier constituencies, see: Smail Goumeziene, *Le pouvoir des rentiers: Essai sur l'histoire de la rente et des rentiers des origines à nos jours* (Paris: Méditerranée; Algiers: EDIF, 2000).

8 He posited this idea early on when he was working with Algerian sociologist Djilali Liabès and reiterated it after the Arab Spring revolutions, as will be discussed later. See: Hartmut Elsenhans, "Gestion de la rente", in: Djilali Liabès (ed.), *La quête de la rigueur* (Algiers: Casbah Édition, 2002), pp. 75-92.

9 For more on this model, see: Eric Gobe, "Secteur privé et pouvoir politique en Egypte: Entre réformes économiques et logique rentière et autoritarisme néo patrimonial", in: Gérard D. Khoury & Nadine Mouchy (eds.), *Etat et société de l'orient arabe en quête d'avenir 1995-2005, dynamiques et enjeux* (Paris: Geuthner, 2007), pp. 253-265.

10 Hartmut Elsenhans, "Global South: Transition vers le Capitalisme Contre la Rente, Chances et Obstacles," *Naqd*, vol. 36, no. 1 (March/April 2018), p. 35.

Amin concurs, though he offers a different vision of what should be done. In a debate with Burhan Ghalioun, he wrote, "I think there is a clear reason for the absence of democracy in all regions of the capitalist periphery and this reason must be found in the particularities of capital accumulation, which here is necessarily indistinguishable from brute capitalism. In contrast, the conditions of accumulation in the metropolises produced objective conditions that allowed for social compromises between capital and labour".⁽¹¹⁾

This division of labour is one reason that Arab countries are unable to make the economic transition to capitalism. Their ties to the global market have rendered their economies incapable of competing and creating surplus value. The world today is structured around globalisation and the market on which local civil societies exchange the goods and services they produce; the degree of independence of any society is dependent on its contribution to the global production of wealth. This makes the transition to capitalism in the Global South extremely complex. Competition is no longer domestic and local between state and society, on one hand, and social constituencies with competing and overlapping interests, on the other; rather it is between economically and militarily dominant and superior states and others that are structurally dependent on them. In other words, these societies face two enemies: one, the political regime and the margin of autonomy it enjoys because of rents and two, the global market, which they are bound to by history and domestic political systems, which in turn hinder the rise of a national, productive bourgeoisie.

The major capitalist states have no interest in losing their traditional markets and indeed are unwilling to let them go, and the Arab region is among these markets, to which goods are sent and raw materials, first and foremost energy, are taken. These capitalist states operate in various ways to preserve this inequitable trade relationship with Arab states by

supporting regimes that protect their interest in accessing markets and energy sources. In turn, this means preserving the rentier nature of Arab economies for as long as possible, even if it means pumping money into local economies in the form of aid or conditioned loans in periods of falling oil prices or during security crises that weaken tourist revenues. According to Elsenhans, this is one factor that explains the throttling of democratisation in the region. Support for rentier economies and local political regimes means obstructing the transition to capitalism — that is, preventing the labour force from acquiring the power to bargain with the state to change the nature of the political relationship between state and society. As Elsenhans says, "Developing countries are pre-capitalist countries because the entry of market relations from outside strengthened rent-based relationships in the longer term. This had powerful consequences for the process of creating enough new jobs to give the popular masses bargaining power".⁽¹²⁾

I am not defending a populist form of dependency theory here, which had grave implications for how Arab revolutionary elites conceived of economics in the post-independence phase. While I concur that there is dependency on the West — not only economically but in all other spheres as well — I disagree with their vision for ending this dependency and their view of its political implications for democratisation and the economic transition.⁽¹³⁾ For historical reasons largely related to the colonial legacy, capitalism was tainted in the Third World social imagination and the political imagination of the elites who came to power after independence. Capitalism was perceived through the historical relationship between the local or indigenous population and the colonists/settlers and the conception of it propagated by the Marxist left and the Soviet Union, and this conception closely aligned to the social imagination of colonised peoples and the pre-capitalist traditional culture. More importantly in my view, it was consistent with political elites' strategies for maintaining power. Such

11 Samir Amin & Burhan Ghalioun, *Hiwār al-Dawla wa-l-Dīn* (Casablanca and Beirut: Arab Cultural Centre, 1996), p. 16.

12 Elsenhans, "Global South", p. 35.

13 Bertrand Badie rejects economic dependency theory, stressing its political dimensions and the role of national elites in entrenching it. See: Bertrand Badie, *al-Dawla al-Mustawrada: Taghrīb al-Nizam al-Siyāsī*, Latif Faraj (trans.), Omariya Sultani (ed.) (Cairo: Madarat for Research and Publication, 2016), pp. 39-48.

elites presented a primitive form of capitalism in their political and ideological discourse that portrayed it as man's exploitation of his fellow man, positing socialism as a solution that would allow the state to guarantee social justice. Arab nationalists believed that the West developed because it had looted the wealth of the Global South and exploited its populations; nationalising this wealth and mobilising it for development would thus be enough to close the gap.

Given these conceptions, dependency theory strengthened state control of the economy and

allowed it to fight the market with political weapons. The result was economic and political failure that ended with the opening of local markets to foreign firms and the emergence of the state class — that is, the state as a class — monopolising the levers of the economy and the channels for the distribution of rents.⁽¹⁴⁾

With this background in mind, we can turn to the failed democratic transition in Algeria. Before this, however, we need to further clarify our concept of democracy given the enormous confusion it continues to inspire.

On Democracy

The relationship between the transition to capitalism and the democratic transition cannot be understood without some clarification of democracy as a concept, which is not clear enough to easily be used to analyse and interpret the relationship between capitalism and the rule of law. Similar to the treatment of other related concepts — civil society, the public sphere, political freedom, secularism, etc. — cultural approaches divorced from the historical conditions that produced them are dominant. The end result is that cause is confused with effect — Azmi Bishara, describing theories of democratic transition, has called this a "wretched" state of affairs⁽¹⁵⁾ — or an imagined direct causal relationship, whether positive or negative, is established between culture and democracy, religion and democracy, Islam and secularism, Islam and despotism, and other binaries widely touted in Western and Arab media.

Democracy is Linked with Modernity

In Arab university textbooks, modernity is typically presented as an intellectual theory and political philosophy produced by thinkers and philosophers of the Enlightenment. Writings on modernity and democracy are therefore dominated by the ideas of theorists like Georg Wilhelm Friedrich Hegel

(1770–1831), Karl Marx (1818–1883), Jean-Jacques Rousseau (1712–1778), John Locke (1632–1704), and Montesquieu (1689–1755), with further reference to Plato, Aristotle, and Greek democracy to emphasise its classical roots.

When it comes to constructing research topics or analysing the profound, rapid transformations taking place around them, Arab social scientists abandoned political economy and anthropology decades ago. And it is not an exaggeration to say that the political and academic debate on democracy and democratisation is the biggest victim of the divorce between the social sciences and political economy and anthropology. The discussion as it stands severs democracy from the historical conditions in which it arose and presents it as an absolute ideal towards which political systems ought to strive. In turn, this has reduced the political demands of Arab revolutionary and opposition movements to participation in power absent any affirmation of economic freedoms — that is, without understanding the objective material vehicle needed to achieve these freedoms. This paper's discussion of the concept of democracy is based on two premises: 1) democracy as conceived by the ancient Greeks and modern democracy are two different things, and the democracy of the 18th and 19th centuries has nothing

14 There is a substantial literature on the post-independence economic policies of Arab states. The more serious part of it reaches the same conclusion: the collapse of the planned economy in the hands of the state bourgeoisie (Djilali Liabès) or the crony bourgeoisie (Eric Jub, Ivan Ivecoviç), or the emergence of the state class (Hartmut Elsenhans). See: Ivan Ivecoviç, "Rabī 2011 al-Miṣrī", Sana Bouzeida (trans.), *Naqd*, no. 29 (Fall/Winter 2011), pp. 31-70; Rachid Ouāissa, "al-Ṭabaqāt al-Mutawassīṭa al-Jazā'iriyya," *Naqd*, no. 36 (March/April 2018), pp. 5-42.

15 Bishara, pp. 73-106.

to do with what existed in Athens. A pre-modern, pre-state phenomenon, Athenian democracy existed in other forms in other, non-Greek, primitive societies; and 2) modern democracy did not emerge as a solution to the problem of sectarianism, tribalism, or ethnic diversity in society, but as a solution to the conflict and contradiction between capital (the bourgeoisie) and labour (workers).

Democracy, Capital, and Labour

What makes democracy a modern phenomenon is that its emergence is bound up with the development or maturity of capitalism, and its functioning is linked with the conditions of the functioning of a capitalist economic system. Democracy is a by-product of capitalist development, and the modern state is a by-product of the market, to use Lahouari Addi's phrase.⁽¹⁶⁾ It is impossible to understand its mode of operation without understanding the mode of operation of capitalism itself. In his *Etat et pouvoir*, Addi links the operation of "the democratic compromise" and the historical and socio-political conditions for the operation of the law of value,⁽¹⁷⁾ which is the same position we find in the modern economic thought from Adam Smith to Elsenhans.

In fact, Arab political science and sociology itself has pointed, though gingerly, to the relationship between the bourgeoisie and democracy, but it has never gone so far as to make the former a necessary condition for the production of the latter. Arab political scientists and sociologists simply invoke the bourgeoisie in passing as a historical fact in the history of democracy; instead of establishing a causal relationship between the two terms, they dance around the subject and invent, just as the thought of the Arab Renaissance, the Nahda, did when it came to the relationship between modernity and Islam.⁽¹⁸⁾

Modern democracy appears to be a bourgeois, capitalist phenomenon because the conditions for its realisation and the instruments for its reproduction are

bound up with a model of capitalist production, not liberal philosophy, which legitimised it and presented it as a political and social theory, rather than the theory of political economy that it really is. Pointing out that the bourgeoisie and capitalism developed prior to liberalism, Barrington Moore wrote, "In England [...] long before Adam Smith, scattered groups of Englishmen living in the countryside began to accept self-interest and economic freedom as the natural basis of human society".⁽¹⁹⁾

The bourgeoisie is not a democratic class by virtue of its culture, but because it is a rising social force independent of the centre of power (the king and feudalism). In its aspiration to preserve a certain pace of capital accumulation, it produced two dynamics that were decisive junctures in the development of modernity: the first is associated with the construction of political institutions counter and parallel to the central power (the separation of powers, political representation); the second is the creation of civil society, by which society is freed from the hegemony of the political power.

But why, at the peak of its influence and economic and political power, did the bourgeoisie not reproduce the inherited model of power?

The answer lies in the fact that the bourgeoisie did not view political power as an end in itself, but merely tried to make it compatible with the interests of capital and without prejudice to the operation of the law of value. The bourgeoisie became a class of its own only in the wake of structural transformations in European societies, most importantly the end of unemployment, the rise of labour scarcity, and the creation of a market whose logic came to govern social exchange. The social base of the feudal, aristocratic monarchy is not precisely the same as that of the bourgeois state. The feudal monarchy was independent of society, and wealth accumulation depended on expropriation and feudalism, whereas capital accumulation depended on production by exploiting labour and creating value

16 Lahouari Addi, *L'impasse du populisme* (Algeria: Entreprise nationale du livre, 1990), p. 11.

17 Lahouari Addi, *Etat et pouvoir: Approche méthodologique et sociologique* (Algeria: Office des publications universitaires, 1991), p. 89.

18 See, for example, the discussion about civil society and its role in realising democracy, published in: Said Bensaid al-Ilwi et al., *al-Mujtama' al-Madani fi al-Waṭan al-'Arabi wa Dawruhu fi Tahqiq al-Dimuqrāṭiyya: Buḥūth wa Munāqashāt al-Nadwa al-Fikriyya allatī Nazamahā Markaz Dirāsāt al-Wiḥda al-'Arabiyya* (Beirut: Centre for Arab Unity Studies, 1992).

19 Barrington Moore, JR., *Social Origins of Dictatorship and Democracy* (Harmondsworth, Middlesex: Penguin Books, 1973), p. 8.

from nothing. The interests of the bourgeoisie are thus directly linked to the working class whose labour it buys at a wage that allows it to turn a profit. The conditions for the continuation of this relationship between capital and labour are what will come to be known as the democratic compromise. The bourgeoisie shifted the relationship of exploitation from the political field (feudalism) to the factory floor, conceding political and then social rights to workers in exchange for its right to buy labour. In this way, labour was transformed into a commodity independent of the individual entity, capable of being bought and sold in the market, but in exchange for recognising workers' political rights as equal to those of the bourgeoisie. By appreciating the value of labour and linking wealth accumulation to it, the bourgeoisie transformed workers into a socio-political force with bargaining power.

The question now is: where do labour movements derive their bargaining power from? How did they become an uncontrollable political force, and why did the working classes become a political force in Western Europe but not in the Arab context?

These important questions have not been adequately discussed in the Arab literature on democratisation, which tends to conceive of democracy as philosophical ideas and ideals that impose themselves on/in society with time by virtue of being superordinate ideals. For example, Burhan Ghalioun conceives of democracy as arising from the ideological struggle between religion and politics; the reason for its absence in the Arab world is a misapprehension of the relationship between Islamist currents and the secular state. Although decades have passed since the origin of this idea — which has become more deeply entrenched with the US and Western propagation of human rights and democracy and the reductive associations created between Islam, violence, and tyranny — the academic and political discourse has barely budged.

The liberalisation begun in some Arab states under pressure from extreme economic crisis was based, directly or indirectly, on this vision of democracy, which entails the adoption of a set of rights and freedoms in the constitution, elections, and party pluralism. In contrast, economic rights, the transition towards a productive capitalist economy, and the freeing of the economy from the fetters of family fiefdoms and crony capitalism are only marginally conceived as being part of democracy.⁽²⁰⁾

In addition to democracy's bourgeois and capitalist origins, Elsenhans⁽²¹⁾ offers a careful analysis of the relationship between democratisation and the economic transition to capitalism, and how labour (i.e., society) acquired bargaining power. According to him, there is a strong relationship between democracy and labour saturation — meaning labour scarcity and the reduction of unemployment to minimum levels — provided that this saturation occurs in the context of capitalist production; in other conditions, it may not produce a democratic compromise.⁽²²⁾ This proposition is consistent with the thought of Lahouari Addi, who writes: "Third World nations in which the bourgeoisie holds power cannot have a democratic life like Western societies [...] In these [Arab] countries where labour movements are weak, the law of surplus value suffers from a deficit due to the nature of economic activity (assembly manufacturing, speculative farming, trade's dependence on international relations), all of which are factors that explain the absence of democracy. If the bourgeoisie is dominated by commerce or agricultural, and if the lion's share of social capital is located on the margins or edges of production or is only minimally involved in production, the result is that the labour movement will not have a direct impact on the reproduction and accumulation of capital, which prevents it from occupying a position

20 Indeed, they may be conceived as a threat to democracy and social justice. Political parties have not raised the issue of economic freedoms; they have thought about democracy but have not made the rentier state an object of inquiry and condemnation. See: Nouri Dris, "al-Mujtama' al-Madani fī al-Jazā'ir: Iqtisād Siyāsī li-Tajribat Infitāh Dīmuqrāṭī Ghayr Muktamila," *Siyasat Arabiya*, no. 19 (March 2016).

21 Hartmut Elsenhans, "Révolution démocratique, révolution bourgeoise, révolution arabe: L'économie politique d'un possible succès," *Naqd*, no. 29 (2011), pp. 51-61.

22 For example, those states that import labour from abroad due to rapid economic growth resulting from rents, or those states that create political jobs in non-productive sectors (administration and services), paying political wages to them.

of strength that would enable it to extract spaces for civil liberties".⁽²³⁾

The Tunisian Exception

I must first emphasise that what I consider the Tunisian exception is simply a judgment about the current moment (as of this writing, 2019), and there is no guarantee that the exception will endure. My description is based on a set of elements drawn from historical readings of democratisation, comparisons between successful and failed democratic transitions, and aspects of Tunisian society, its social composition, and its economic structure. These elements are undoubtedly imprecise, but in my view, they are sufficient to construct a research hypothesis and a model of comparison.

The exceptionality of the Tunisian experience lies in the following:

1. It is the only experience that has yet to see a counterrevolution similar to Egypt and Yemen or a slide toward violence or civil war as in Libya, Syria, and Yemen.
2. Unlike the other Arab Spring revolutions, a major role was played by a labour syndicate, the Tunisian General Labour Union (UGTT),⁽²⁴⁾ an independent organised union whose historical roots stretch back to the 1920s. The revolutions in Egypt, Libya, Syria, and Yemen were led by unorganised political movements or joined by traditional party structures. In this respect, the Tunisian revolution is the only case with similarities to the Eastern European revolutions led by labour movements (e.g., Solidarity in Poland). In general, labour unions are capable of mobilising supporters and crowds across the ideological spectrum. In Egypt, in contrast, the revolution seemed to be a revolution of the Muslim Brotherhood, and this was used as a pretext for the coup. Furthermore, a union is a labour formation capable of exerting pressure and bargaining, which

is not necessarily the case for conventional partisan formations.

3. Unlike Algeria, the trade union movement in Tunisia contributed to the formation of the Tunisian state⁽²⁵⁾ on a par with other political movements. Throughout the decades of autocracy in the eras of President Habib Bourguiba (1957–1987) and President Zine El Abidine Ben Ali (1987–2011), the UGTT continued to function as a key social and political force, balancing out the official party.

4. Tunisia is the most urbanised society (based on the population living in cities)⁽²⁶⁾ of all the aforementioned countries and is also the most religiously (Sunni Islam), ethnically, and linguistically homogenous. The society is not labouring under tribal, ethnic, or sectarian divisions. The nation state of Tunisia is therefore far more mature than Iraq, Libya, and Yemen.

5. The Tunisian economy is the most capitalist of all the aforementioned states. It is nearly the only one in which rents are not a key aspect of the economy, unlike Libya, Egypt, Yemen, and to a lesser extent, Syria. This does not mean that Tunisia's macroeconomic indicators are positive. I cite this example here simply to emphasise the Tunisian economy's linkage to the working class, an important element for the means of production and capital accumulation — or what Elsenhans calls "the conditions to realise the bargaining power of the working class". In any case, this will be the primary argument of this study: it assumes that the most important condition for successful democratisation is a relatively successful transition to productive capitalism, which will in turn support the democratic transition. Herein lies the hope for success in Tunisia, whether in this round or the next.

23 Addi, *Etat et pouvoir*, p. 94.

24 For the most recent work on the UGTT, see: Mouladi Lahmar, "al-Nashāt al-Naqābī wa Taḥaddiyāt al-Marḥala al-Intiqāliyya fī Siyāq 'al-Rabī' al-'Arabī': Mithāl al-Ittiḥād al-'Āmm al-Tūnisī lil-Shughl," *Siyasat Arabiya*, no. 30 (January 2018).

25 Najet Mizouni, "L'UGTT, moteur de la révolution tunisienne," *Tumultes*, vols. 1–2, nos. 38–39 (2012), pp. 71–91.

26 According to the 2014 census, urban dwellers constitute 68 per cent of the total population. See: Ministry of Social Affairs, Tunisia, *al-Ti'dād al-'Āmm lil-Sukkān wa-l-Suknā 2014: Ahamm al-Mu'ashshirāt* (Tunis: 2014), accessed on 30/8/2021, at: <https://bit.ly/3j8pbIH>

Algeria: A Stalled Democratic Transition

Why did the political and economic liberalisation begun in Algeria in February 1989 not produce new political elites and a new model of wealth accumulation? Why did this opening work in the interest of the old elites who have monopolised power since independence? And why was the constitution of this period incapable of creating a political and economic break?

The failure of democratisation in Algeria is often dated to 12 January 1992, when the army cancelled the results of the first round of parliamentary elections, won by the FIS. Very rarely referenced is another moment six months earlier — more important in my view — when on 4 June 1991 the regime dismissed the so-called "government of reformists" led by Mouloud Hamrouche (1989–1991) and appointed a new government led by Sid Ahmed Ghazali (1991–1992). Ostensibly tasked with overseeing parliamentary elections, in practice the Ghazali government undid most of Hamrouche's economic reforms while preserving (at least constitutionally) some of the political liberalisation measures.⁽²⁷⁾ It was an economic coup against a package of reforms that in the medium term would have curbed the regime's dominance over the economy.

This is demonstrated by the return of electoral politics in 1995 absent a return to the economic reforms reversed in 1991. The regime's stake in the economy was more important, and the maintenance of political power was primarily ensured by continued state control of the economy.

The retreat from economic openness begun by the Ghazali government and continued by the government of Belaid Abdessalam (1992–1993) was no less significant than the suspension of electoral politics and may have been more important insofar as it enabled the regime to defuse the threat posed by political pluralism. In my view, theories of democratic transition should learn the lesson of this failed experiment to construct new hypotheses or retest the premises on which they are based.

The Reformist Government (1989-1991)

The reformist government was formed in September 1989 with the declared platform of finding a solution to the economic, political, and social crisis that emerged following the oil crisis of 1986, when the price of oil plummeted to \$6 a barrel. The Hamrouche government pursued two parallel tracks: first, economic reforms to transition to a new model of wealth accumulation, which required transitioning to a market economy, and second, political reforms that would end the dominance of the sole party, single trade union, and univocal media. The reformists understood that the prevailing political logic of clientelism undergirding the economy was the cause of the failure of the public sector. They thus instituted three key reforms⁽²⁸⁾ that in my view are the direct cause of the dismissal of the reform government.

1. A new law on money and credit was enacted that made the Algerian Central Bank wholly independent by ending the regime's practice of printing money without any real economic backing to fund deficits and manipulating the price of the Algerian dinar.
2. Public institutions were given economic independence and political and economic interference in their operation was prohibited, with the goal of stopping the political and social employment of workers (overemployment), which was a cause of the chronic deficit and represented a massive drain on the state treasury.
3. Foreign trade was liberated from the state's grasp to eliminate domestic and international lobbies that had drained the state treasury through corruption, commissions, and monopolies.

The regime was less disturbed by the political opening than these measures, which aimed to achieve the following:

1. Dismantle the foundations of the rentier political system, which used fossil fuel revenues to buy socio-political legitimacy by deploying them politically in the economic arena.

27 I say maintaining some aspects of political liberalisation because not all political parties were banned, private newspapers were not shuttered, and independent labour unions were not suspended with the exception of those subordinate to the FIS.

28 Mourad Ouchichi, "Les obstacles politiques aux réformes économiques en Algérie", Master's Thesis, Université Lyon 2, France, 2011, pp. 141-145.

2. Dismantle the legal and institutional foundations of the legacy clientelist state, which used oil revenues to contain society politically and prevent the formation of a civil society, and this by resisting the market, bureaucratising society, and forming and fostering clientelist networks in the social body.

It is clear that in reversing these reforms, the regime was resisting the transition to a new model of wealth accumulation based on the exploitation of labour in exchange for recognition of workers' political, labour, social, and economic rights. Subsequent developments demonstrated that the regime was unwilling to accept either a democratic or capitalist transition. In fact, the regime believed that the reformist government would not dare go so far as to dismantle the regime's infrastructure and would, like its predecessor, instead be satisfied with technical measures to balance the state budget while waiting for oil prices to start climbing again. The centre of power refused to see that the cause of the economic crisis was the use of the political logic of rentierism to manage the economy rather than the drop in fossil fuel prices on the global market. Accordingly, the failure of the democratic transition in Algeria can also be attributed to the failure to liberate the country from the economic dependence on rents and the resistance of rent-seekers to all manner of reforms and the move towards a productive market economy. The reformist government could not work out how to pursue economic and political reform without undermining the interests of various powerful consistencies — present at all levels of the state — and thus generating resistance to reform and to the attendant transition.

To sum up, the answer to the foregoing question about the causes of the failed transition is that Algeria society did not then (and still does not today) possess the means to achieve its independence from the state and contain the political regime, which benefitted from \$8 billion in foreign loans in 1991 then another \$4 billion between 1994 and 1996,⁽²⁹⁾ and later the resurgence of oil prices starting in 1999.⁽³⁰⁾ Nor should we forget the way that local industry and agriculture

were dismantled after structural adjustment and the rescheduling of debts, or the impact of armed violence and terrorism. In other words, the rentier economy persisted, both in the form of direct revenues from oil and gas exports and the provision of foreign loans, which were used by the regime to relieve pressure on it and avoid negotiating with labour.

The Persistence of the Rentier Structure of the Economy

The historical, economic, and political conditions in which political pluralism was established did not allow for restrictions on the political regime, since the state continued to dominate the economy and civil society was weak. From independence to October 1988, the economic practices of the Algerian state had catastrophic consequences for the subsequent development of Algerian society, most importantly:

1. Economic failure on every level: vast oil and gas revenues were squandered on an unproductive public sector incapable of providing basic goods for the local market; millions of dollars were consumed to wipe out the debts of public institutions to no tangible end.
2. The spread of corruption within the state bureaucracy due to centralised administration, a non-independent judiciary, and the spread of cronyism, favouritism, and profligacy.
3. The destruction of the agricultural sector due to an industrial manufacturing policy that attracted millions of farmers from the countryside to the urban periphery where massive industrial compounds were established.
4. The crushing of the private sector, despite its important contribution to domestic raw production; the 1976 Charter banned the private sector from operating on ideological grounds.
5. The formation of broad patronage networks that were enriched by exploiting their influence in the administration, army, and customs; these networks brought to bear all possible pressures on the state to

29 Hidouci Ghazi, *al-Jazā'ir: al-Tahrīr al-Nāqis*, Khalil Ahmed Khalil (trans.) (Beirut: Dār al-Ṭalī'a, 1997), p. 146. For more details, see: Omar Benderra, "Économie Algérienne 1986-1998: Les réseaux aux commandes de l'Etat," *Analyse*, Algeria-Watch (December 2009), accessed on 30/8/2021, at: <https://bit.ly/3CA9clw>; Omar Benderra, "Les réseaux au pouvoir: Effondrement de l'Etat et prédation," *Confluences méditerranée*, no. 45 (2003), pp. 81-94.

30 Ouchichi, p. 158.

allow them access to trade and business starting in 1982.

6. A rising state deficit, which pulled Algeria into a foreign debt trap; by 1988 debt came to \$27 billion with debt service of up to 70 percent.

The crises mounted and by October 1988 they included the declining productivity of public institutions, a chronic fiscal deficit, declining hard-currency revenues due to the collapse of oil prices in 1985, rising debt, rising unemployment (more than 25 percent), a severe shortage of basic goods, and rising prices in the black market. All of this was coupled with the growing public protests starting in 1986 and the rise and spread of ideological currents like the Islamist movement and the Berber cultural movement.

This is the backdrop to the recognition of political and economic openness in the 1989 constitution. Once hard-currency revenues plummeted, the state became incapable of maintaining the revolutionary legitimacy that had underpinned it. Throughout this period, the economy was exploited to the hilt politically. Instead of fostering conditions needed for the development of the market, the regime supplanted the market with the state bureaucracy, which functioned as the mediator both between state and society and between the global market and Algerian society. Like the Soviet Marxist elite, Third-World political elites did not grasp the historical horizons that could be opened by a state-regulated capitalist market and they failed to anticipate the outcomes of the centralised economy. In Addi's words, these were elites who lacked a sense of history's horizons.

Algerian President Houari Boumediene (1976–1978) advanced an anti-imperialist, anti-capitalist discourse, believing the way to confront these was by regulating and nationalising the economy so that Algeria could make independent political and economic decisions. He did not imagine that the massive economic foundation he built would collapse and that Algeria

would end up importing everything from the global market.

The obsession with maintaining power intersected with an ignorance of market laws at a moment when oil revenues were high. The regime banned all forms of independent trade union expression and imposed uniformity, represented by the General Union of Algerian Workers (UGTA), whose mission was enumerated in the 1976 National Charter as striving to develop the political consciousness and ideological education of workers.⁽³¹⁾ The ruling political elites believed that only the system of capitalist production and the private sector needed independent labour unions because they defended workers against exploitation. The public sector, by contrast, was the property of workers and so they needed no independent unions to defend them. Instead of the UGTA defending workers, it educated, disciplined, and mobilised them behind the regime's ideological choices. The National Charter gave voice to this idea this way: "The compact is a compact for the socialist management of institutions, the agricultural revolution, and the achievement of national plans. Hence the trade union, thanks to the expansion of the economic base of socialism, is no longer a means to struggle against an exploitative state, but has become an indivisible part of the existing authority within the realm of a socialist state serving workers and farmers".⁽³²⁾

In the state-managed economy, trade union movements represent a political enemy and so the regime denies them independence. It further refuses to allow economic institutions any economic authority. Because of this refusal, the political and economic system loses its ability to pressure workers to respect the labour contract, lest economic disputes become political disputes to be exploited by the regime's enemies.⁽³³⁾ The political regime sacrifices the interests of the economy in order to preserve its political interests, which in turn means that it must guarantee a job for all and cede the ability to pressure workers and enforce the law against absentee workers.

31 National Liberation Front, *al-Mithāq al-Waṭani* 1976 (Algeria: National Educational Institute Press, 1976), p. 69.

32 Ibid.

33 Lahouari Addi, "Forme néo-patrimoniale de l'Etat et secteur public en Algérie", in: Lahouari Addi, Habib El Malki & Jean-Claude Santucci, *Etat et développement dans le monde arabe* (Paris: CNRS, 1990).

Oil revenues and the arbitrary printing of money enabled the regime to plug the structural deficit of public sector institutions, pay workers' wages, and secure operating and equipment costs, provided by the state treasury in the form of never-to-be-repaid loans.

When oil prices on the global market collapsed, the regime could no longer shoulder the cost of its political and social administration of economic institutions. Various reforms were instituted, all of which ended in failure because they disregarded market laws and were based on a naïve conception of the economy that combined moralism with a superficial Marxism.

If vast oil revenues had allowed the regime to avoid political subordination to labour or at least a compromise with it, with the collapse of global oil prices, it fell prey to the international financial institutions governing the global economy: the IMF and foreign donors. The regime preferred to negotiate loans with international financial institutions instead of bargaining with the working classes over the purchase of their labour in exchange for genuine political representation. The loss of economic sovereignty was the prelude to the loss of all forms of sovereignty, and the democratic and economic transition cannot succeed under pressure from foreign institutions — that is, without full sovereignty.

Liberalisation Under IMF Conditions

After the events of October 1988, the authorities recognised the need for reform. They brought in a team of reformists who understood that there was no path to economic reforms without dismantling the rentier political system, and with rents at a nadir, the opportunity to act was ripe. In fact, the same logic governed the operation of the political system and the Algerian rentier economy, so dismantling one would mean dismantling the other. But that the economic crisis was now clear to see and threatened social peace compelled the actual decision makers to accept the economic reforms adopted by the first (1989–1990) and second (1990–1991) Hamrouche governments. The decision makers were looking for a way out of the fallout of the 1986 crisis through purely technocratic means.

Algeria embarked on the era of pluralism with empty pockets and a bankrupt treasury. The regime had one eye on elections and repairing its tattered legitimacy and the other on the empty treasury burdened by debt. It was during this period of undeclared bankruptcy that the regime agreed to multiparty elections, but it quickly reversed the results when they proved not in its interest. As soon as it was able to negotiate loans from international financial institutions, under severe terms, it regained the initiative and organised presidential elections in 1995, won by its own candidate, Liamine Zeroual (1995–1999).

A steep price was paid for initially suspending the economic reforms and then completely reversing them later under the government of Prime Minister Belaid Abdessalam (1992–1993). Having rejected economic independence for public institutions, an independent Central Bank, an end to the printing of money, and a reconsideration of the subsidy policy, the same government, in early 1994, found itself broke and unable to meet its financial obligations, both domestic (in particular workers' wages) and foreign (debt and debt service). It therefore faced two choices: abandon efforts to buy social peace, which was its prime weapon in the battle against terrorism, or capitulate to the IMF by rescheduling Algeria's debts. While the latter option had been dismissed at the beginning of the economic crisis in the late 1980s, this time the regime had less room to manoeuvre. The price of oil on the global market had not improved considerably, reaching \$21/barrel in 1991 then falling to \$17/barrel in 1993 and \$15/barrel in 1994. The regime could not shoulder such a steep socio-political cost and so was unable to avoid accepting IMF conditions in exchange for additional loans and debt rescheduling.

Repercussions of Structural Adjustment for the Trajectory of the Democratic Transition

Theoretically, the structural adjustment programs imposed by international financial institutions on many indebted Third World nations should have contributed to the transition to economic liberalism by making economic efficiency a bedrock standard for governance.

But recalling the discussion above about the objective conditions necessary for the democratic compromise,

the fact that this program was imposed simultaneously with political liberalisation torpedoed the minimum conditions needed for a successful transition. A successful transition requires low unemployment and a local civil society capable of reproducing itself materially independent of the political regime and the global market, and neither of these conditions obtained at the time.

The most significant measures taken by the program in Algeria were all designed to control the public deficit by imposing more stringent controls on the drafting of the state budget and fiscal policy; devaluing the Algerian dinar; liberalising foreign trade with the goal of limiting the state monopoly and lifting import controls; liberalising prices and gradually eliminating subsidies; and privatising public institutions and unleashing the private sector.⁽³⁴⁾

One does not need to be an economist to understand the impact of these measures on the economic-political transition or the extent to which they could produce a backwards, debilitated economy and a state that is both fiscally impotent and institutionally fragile. The more important question, however, is that related to our topic here: can a political transition to democracy succeed under these conditions, externally imposed on Algeria?

Considering the logic underlying international relations, it is hard to believe that donor international financial institutions, particularly the IMF, want a genuine economic and political transformation in Algeria or anywhere else. In fact, the conditions imposed for the rescheduling of Algeria's debt demonstrate that the goal first and foremost was to guarantee the repayment of loans and interest to the international financial institutions themselves, by opening up the Algerian market to foreign goods and shrinking social subsidies to cut state expenses. The testimonies of Central Bank Governor Abderrahmane

Hadj-Nacer (1989–1992),⁽³⁵⁾ Economic and Finance Minister Ghazi Hidouci (1989–1991), and Treasury Minister Ahmed Benbitour (1994–1995)⁽³⁶⁾ show that donor institutions sought to obtain guarantees for loan repayment as well as interest, which in some years reached 70 per cent, and were uninterested in the social and political consequences of the structural adjustment program. These institutions are commercial financial firms, no more and no less.⁽³⁷⁾

Despite the draconian nature of the structural adjustment program in the period of 1994–1998, the regime did not feel that it directly threatened its political and economic interests or that it would give rise, in the short or long term, to new social forces that could place institutional restraints on the regime. It well understood that international donors would be less troubled by the suspension of elections than by the economic reforms of the Hamrouche government, which aimed in the long term to delink Algeria from fossil fuels and the global market and cut the ties binding society to the rentier system. Hidouci has spoken at length about the fierce domestic and foreign resistance, particularly from France, to the Hamrouche government's reforms and did not rule out the relationship between the \$8 billion loan given to Algeria and the dismissal of the government.⁽³⁸⁾ The government was sacked just a month after the loan was granted and a new government formed to lead a process of "sincere penance" for the reforms that had again landed Algeria in the clutches of international donors, forced to capitulate to debt rescheduling and structural adjustment.

In less than five years, two successive rounds of foreign loans to the Algerian regime allowed it to reject the profound economic and political reforms that in the near future would have reshaped the relations of power and society's model of wealth accumulation. The first loan allowed the regime to freeze the radical reforms of the Hamrouche

34 For more details on these points, see: Ouchichi, pp. 179-183.

35 Abderrahmane Hadj-Nacer, a member of the reformist government, was appointed as governor of the Central Bank of Algeria in 1989 for a six-year term, but he was dismissed along with the reformist government in June 1991. For his testimony, see: Abderrahmane Hadj-Nacer, *La martingale algérienne: Réflexions sur une crise* (Algiers: Editions Barzakh, 2011).

36 Ahmed Benbitour, *Radioscopie d'une gouvernance algérienne* (Algiers: EDIF, 2011 [2000]), pp. 125-127.

37 See: Tahar Saoud & Abdelhalim Mahor Bacha, "al-Madīna al-Jazā'iriyya wa-l-Ḥirāk al-Ihtijājī: Muqāraba Susyulūjiyya," *Omran*, no. 18 (Spring 2016), pp. 93-126.

38 Hidouci Ghazi, *La libéralisation inachevée* (Paris: La Découverte, 1995), pp. 239-240.

government in May 1991 while the second, in the period of 1995–1999, enabled it to avoid collapse in the face of blows from armed groups and also wipe out any trace of Hamrouche's reforms. When it came to its economic interests, nothing could deter the regime: it accepted the conditions of debt rescheduling then brought in Belaid Abdessalam — Boumediene's man — to erase Hamrouche's reforms.

In early 1999, global oil prices began to climb, leading international donors to turn a blind eye to the regime's retreat from the reforms imposed as part of structural adjustment. These were no longer important as long as oil revenues would permit them to recoup their loans with interest and as long as the barriers to foreign trade had been lifted.

Conclusion

An examination of the failed democratic transition in Algeria allows us to draw several conclusions that hold salient lessons for the social sciences and particularly theories of democratisation.

1. No democratic transition can be effective without a concomitant economic transition to wealth-producing capitalism. A partial transition — the recognition of political parties and the convening of elections — provides only another opportunity to repair the façade of the authoritarian regime. It soon culminates in the dilution of the political landscape and society's disengagement from politics and the public sphere, as political parties become firms negotiating their material interests directly with the regime in exchange for formal recognition and a smattering of positions. The Algerian experience demonstrates that the regime bet on the economy to preserve its power, and its tighter grip over the economy allowed it to neutralise the possibility that multiparty politics would produce an alternative centre of power. Only a bourgeoisie that is independent of the regime and involved in industrial production can place legal and institutional restraints on the political authority and force it to submit to the voters' choice. Modern democracy means that society is able to impose institutional and legal controls over the political authority, and in this sense, it is the product of a historical bargain between

The events of 11 September 2001 meant the regime no longer needed to tread lightly around its battle against terrorism. It became an international partner that could convey its own experience and expertise to Western states, which in exchange disregarded the total reversal of political reforms and the establishment of a pro forma democracy based on the cult of personality the evolved under President Abdelaziz Bouteflika (1999–2019). The regime possessed a new security legitimacy in addition to the old revolutionary legitimacy it had restored with oil revenues. This enabled it to temporarily sidestep the Arab Spring and defuse the threat of formal democracy, whose foundations were reshaped on the eve of every new election in accordance with domestic and foreign conditions.

capital and labour. Those parties with an interest in it are employers that produce wealth and the working class that sells its labour within a political and legal climate that protects its rights. The more the state is tied to the productive endeavours of the working class, the more it is compelled to submit to society and the more autonomy it enjoys from the global market and foreign powers.

2. The second lesson concerns the historical horizons of rentier and socialist economies. The laws of political economy are objectively real and cannot be disregarded or challenged. Productive labour and the masses' involvement in the labour market are the only way to create wealth, achieve economic independence and food security, and preserve national sovereignty. This formula only works under the political, historical, and legal conditions necessary for the operation of the law of surplus value, meaning productive capitalism. Unless workers win labour rights and employers fight for economic independence separate from politics — and these lead to structural transformations within the social structure and social relations — labour and production do not function. The challenge to market laws thrown down by the regime, the bureaucracy, and rentier wealth has made Arab rentier states easy prey for foreign creditors and ultimately for the dictates of the IMF and World Bank. Rents are an

external resource that weakens and contains society and encourages foreign dependence. In contrast, democracy can only be realised in a productive national economy, in which the state budget is drawn on the monies of taxpayers who in exchange demand participation in and oversight of power and seek to prevent it from infringing market laws.

3. IMF conditions, which would seem to operate in the interest of the transition to a market economy, do not. Given the contemporary context of total economic globalisation and the economic hegemony of multinational firms, the enforcement of the conditions of international financial bodies typically opens markets to savage neoliberalism, which only impoverishes Arab societies and cements their dependence. Both Tunisia and Egypt have negotiated or are in the process of negotiating loans, which is likely to strongly impact the democratic transition in the former and strengthen the counterrevolution in the latter. IMF loans and foreign assistance from some Gulf states, particularly Saudi Arabia and the UAE, have played a decisive role in repairing tattered authoritarian regimes and immiserating societies, making them too weak to resist authoritarianism. A massive cash inflow to the local economy through loans gives existing regimes a margin of independence while weakening the bargaining power

of labour movements and lending additional support to the repressive machinery of the counterrevolution. Loans give the regime greater latitude to meet the population's basic needs through imports — controlled by regime clients — without a need to concede to political demands. The transition to productive capitalism depends on giving the masses bargaining power, which is not an option made available by the dominant, privileged class. This class thus continues to gamble with the nation's economic interests instead of acquiescing to the laws of political economy, hoping for a new oil bump.

In conclusion, the political struggle for democratisation is not enough unless it is coupled with another struggle for liberation from the dependence of the rentier state. The rentier state by definition cannot be democratised: democracy corresponds to the compromise between capital and labour while the rentier state does not reproduce itself through the power of labour, but by directly tying itself to the global market. The gamble for democratic transition must also be a gamble for a capitalist transition because democracy is contingent on the existence of a geographically contained entity that exercises full sovereignty, which in today's context of a globalised world is inseparable from economic sovereignty.

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