

Policy Alert

Bouteflika Resigns: Next Steps in Uncharted Territory

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The accelerating pace of events calls for a careful U.S. response, since instability in Algeria could cause significant disruptions in North Africa, the Mediterranean, energy markets, and counterterrorism.

On April 2, Algerian president Abdelaziz Bouteflika submitted his resignation to the Constitutional Council, a move that followed six weeks of massive demonstrations by citizens protesting his prospective fifth term and other issues. The president's loyalists attempted to appease the demonstrators with a series of partial concessions: postponing elections until year's end; promising that Bouteflika would not seek another term; proposing a constitutional amendment process and transition plan led by internationally respected diplomat Lakhdar Brahimi; and reshuffling the cabinet twice. The largely inchoate protest movement accepted none of these ideas, particularly the proposal to extend the fourth term of an infirm president who has not appeared in public since suffering a serious stroke in 2013.

Army chief of staff Ahmed Gaid Salah raised the pressure on March 26 when he called for applying Article 102 of the constitution, which would formally declare the president unable to serve. Yet protestors greeted even that approach skeptically and began demanding change to "the system," suggesting frustration with continued rule by a nontransparent elite.

For now, the head of Algeria's upper house of parliament, Abdelkader Bensalah, will assume the role of interim president as mandated by the constitution—so long as the constitution remains valid. Beyond that, what will happen next is a matter of speculation. Yet several principles should guide how Washington approaches the situation going forward.

Beware of analogies. As tempting as it may be to compare Algeria's predicament to other regional developments—such as the mass protest movement and subsequent military dominance in Egypt, the Assad regime's brutal crackdown in Syria, or the crony capitalism seen in Tunisia—the current situation should be treated on its own merits. Many have observed that Algeria already experienced an "Arab Spring" in the early 1990s, when it experimented with open elections only to cancel them when Islamists won, setting off a civil war and "Black Decade." Although this is certainly a valid historical data point, assuming that it will dissuade the protestors, military, or government from escalating to violent confrontations during the present crisis may be wishful thinking. There is simply not enough clarity about how the decisionmaking circle and broader ruling class (i.e., "Le Pouvoir") operate, leaving observers with little more than general speculation about how authorities might respond to the current crisis.

Watch the military. Did Gaid Salah's proposed constitutional solution to ousting Bouteflika signal a break within the ruling circle, or an active effort by certain elements to move beyond the ailing president while preserving their overall power? Some observers have called his actions a coup; according to some reports, he privately demanded Bouteflika's resignation right before the president submitted it. How much is the military actually behind this transition, and what additional concessions is it prepared to make if protestors continue demanding free elections and systemic change? To date, government forces have been disciplined about avoiding violence and allowing the protestors to demonstrate freely. Whether that dynamic continues will determine the stability of the coming period, particularly if protestors happen to cross whatever redlines the military may have drawn internally.

It's the economy, stupid. The prospect of more than twenty years' of life under Bouteflika may have been the proximate driver of the protests, but the underlying causes were continued economic stagnation, youth unemployment, and poor public infrastructure for a ballooning youth population (44 percent of Algeria's 42 million residents are under age twenty-four). The government has been burning through its foreign reserves at a rapid rate, accumulated when the price of oil was over \$100 per barrel in the mid 2000s. The latest budget includes unsustainable social spending and subsidies.

Meanwhile, efforts to liberalize and diversify the economy have been stymied by those political and business elites who benefit from the current system (some of whom have been prevented from leaving the country over the past several days, potentially signaling plans to scapegoat some of the worst offenders or oust Bouteflika loyalists). Further, statist economic policies limit much-needed foreign investment, especially in the energy sector, where participating companies are required to have at least 51 percent Algerian ownership. Without further exploration and new technology, the country's oil reserves and production capacity are projected to last only twenty more years. Production has not dipped during the current crisis, but the upheaval did lead Exxon Mobil to suspend talks with the government on shale gas development.

Algeria needs a stable government to address these complicated issues. Any post-Bouteflika administration will no doubt be tempted to increase social spending and ignore long-term investments and reform, but that approach would only worsen the country's economic health.

In the best case, a caretaker government will lead Algeria toward a constitutional reform process and fair elections, producing an elected government that can begin adopting necessary economic reforms while maintaining the military's loyalty. Yet the chances of that process unfolding smoothly seem dim.

A smooth transition is in the best interests of the United States given the deep security interests at stake. Algeria borders Libya, the Sahel, and the Mediterranean region, all of which would suffer tremendously if local authorities cannot control the borders and keep a lid on terrorism, smuggling, and mass migration.

Accordingly, while Washington should emphasize that Algerians alone will shape internal events (as the State Department noted in an April 2 press briefing), it should also tell the parties that the transition needs to be peaceful and transparent. That message can start with a congratulatory call from Secretary of State Mike Pompeo to the interim president, reinforced by private messages to senior military contacts and U.S. embassy messaging to the Algerian people via Twitter and other platforms.

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