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Algeria's Social Subsidy System: Qualitative Elements for a Sociopolitical Approach

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Overview

This present paper does not purport to cover all aspects of Algeria's social subsidy system. Rather, it aims to contribute to the public debate around subsidy policies through a number of hypotheses, as a form of qualitative analysis based on concepts of political sociology. It adopts this systematic and epistemological approach because of the overemphasis on the economic and technical aspects of Algeria's social subsidy policies and measures at the expense of the sociological approach in both media and academia, and the need for an adequate consideration of the political function of subsidy policies and measures in the Algerian context. Its main premise is that the social subsidy system cannot be examined separately from the structure of political authority, the nature of the state and its political economy, and the prevailing economic model, be it in Algeria or elsewhere.

While acknowledging the various social benefits achieved by Algeria's social subsidy system since the country's independence, this paper argues that social subsidies perform a political function – one that is not dictated by the self-interest of those in power but by the neo-patrimonialism and the clientelist nature of the state,[1] as well as Algeria's rentier economy. This is the result of the particularities of the political history of modern Algeria where a populist political culture and perception of the state and society emerged. This perception continues to largely define the nature and outcomes of public policies and measures, including those on social assistance. The sociological outcome of the political function of social assistance measures within the overall governance system in Algeria consists of disrupting social class formation, where different subsidy policies – targeting essential goods, housing, employment, etc. – establish an egalitarian reality that abolishes social differentiation and disrupts its dynamics. These same dynamics are the ones favoring the formation of modern society, as advocated by the founding fathers of sociology, from Tönnies to Durkheim. In other words, due to historical and structural considerations, Algeria's social subsidy system contributes to disrupting and postponing the transition from a community to a society – in the words of Ferdinand Tönnies.[2]

The paper also argues that, in the context of a neo-patrimonial and clientelist state and a rentier economy, the continuous politicization of social policy measures empties state-society relations of their political dimensions (representation, oversight, freedoms) and limits the social demands on the state to livelihood needs (providing basic commodities and materials, additional subsidies and opportunities). It also narrows the social contract and, therefore, the notion of citizenship. This entrenches a dualism that infantilizes society by reducing its participation in governance and decision-making and increasing its dependency while strengthening the state's paternalism that is behind the reproduction of traditional and pre-modern political culture and practices.

Another formulation of the hypothesis of this paper considers the rentier economy[3] a factor that contributes to political stagnation – in other words, a tool for the political neutralization of society and the various social forces in it. Achieving justice and welfare was not the sole driver behind the adoption of Algeria's development and economic model after independence. This choice was also motivated by certain political stakes and calculations, the most notable of which was the desire to avoid the social/political cost of any development project involving economic takeoff – particularly in its early stages. The state's significant investment in the economic and social spheres and its effort to control market forces and laws through political and bureaucratic instruments have led to a consensual and top-down development process, away from the conflictual aspects characteristic of any economic takeoff. Therefore, the state has politically neutralized society by bestowing a peaceful character to the economy, which is normally a field of competition and conflict.

Many of the subsidy measures (e.g. increasing youth employment through various projects) fall within what Rachid Sidi Boumediene called the requirements of "local governance through the clientelist rentier system."[4] This means buying social peace in exchange for a share of the rent, under an implicit social contract that shapes the state-society relations in a clientelist and rentier context. For instance, the youth can benefit from a share of the rent in the form of loans to support an economic project in exchange for their depoliticization. In this context, we can easily notice the public authorities' leniency towards various cases of abuse committed by the youth benefitting from these loans in terms of the aspects

and methods of disbursement and the extent of their commitment to pay their dues to banks.[5] In this case, the economic and political objectives of the subsidies become intertwined. The weaker the legitimacy of the governance system, the more the state adopts such practices. [6]

Explaining the approach

In order to better explain and understand the hypotheses and approaches adopted in the present paper, it is important to present two different theses that contextualize and guide it:

First: The transition, which was in practice more of a deviation, is related to the "change of course"[7] that characterized the state's political and economic approach and practices since the early 1980s. This was at the time when Chadli Bendjedid acceded to power, and with the change in the rentier system from an instrument aimed at achieving development, supporting a community and economy modernization project, and enhancing state-building to a means to serve the ruling agenda of the new dominant power. This bold hypothesis contributes to the discussion of Algeria's subsidy system and policies, since it clearly highlights the political dimension of the issue and frees us from the narrow and exclusive economic and technical approach. Just as subsidy policies have an economic and social function, they also have a political one, whose components and objectives must be uncovered, especially in terms of the form of state-society relationship these policies seek to establish and reproduce. It is not possible to decide on subsidy measures or manage their distribution at different levels in a political vacuum. These are rather an expression and extension of a balance of power that penetrates both society and state and is reflected in political, social, and economic actors – each having their own interests and calculations.[8] Hence, soial subsidies is a political process in addition to it being an accounting/technical process with economic significance and impact.

Second: Generally speaking, discussions on Algeria's subsidy policies and system, whether in the media or in academia, often refer to the concept of the "welfare state." The concept of the welfare state historically originated in the West where the political and institutional organization of the state is a direct result and

manifestation of the settlement between the two main social forces of the industrial capitalist society: capital and labor. In Algeria, the so-called welfare state resulted from a completely different historical context, where the relationship between dominance and political contention plays a larger role than that of dominance and economic contention. This context witnessed the birth of a nation-state and is directly reflective of France's colonization of Algeria, including the Algerian society and its political, as well as cultural structures. In its different stages, colonialism has worked on producing and reproducing a comprehensive and continuous domination over Algerian society based on a material, symbolic, objective, and subjective promotion of political, economic, and cultural inequalities. All of the demand of the National Movement for equality and all reform initiatives that the left tried to achieve have failed to remedy these inequalities and were opposed by the colonists.

Marked by different levels of inequality, this reality made the desired nation-state project closely linked to the objective of building a state with a clear and explicit social orientation. The 1 November 1954 Declaration[9] clearly expressed this demand as it considered that the basis for independence and state legitimacy is the extent to which the state fulfills its social function. Therefore, the welfare state in the case of Algeria refers to the era of the establishment of the state – not to the period following the development of the economic and class structure of society (bourgeoisie and working class). This distinction is an important one when discussing the meaning of a "welfare state", as it is a key factor that helps us understand the nature and purposes of social subsidy policies and measures from the perspective of the Algerian state and the perspective of all social groups and their expectations and aspirations.

The 1 November Declaration linked the political independence goal to the concept of reclaiming national sovereignty, by putting a definitive end to the inequality Algerians endured throughout the colonial period. At the level of representation and practice, the independence and decolonization period marked for Algerians the moment when poverty and "*hogra*" (oppression and humiliation) ended irrevocably.[10] From this perspective, the proof of independence is a nation-state that works tirelessly to achieve equality, linking it to the concept of egalitarianism. This concept has its deep cultural and anthropological roots in Algeria's modern

political experience that has been affected by French colonialism, as "egalitarianism" is associated with the populist model of the state (advocated by the political elites), and corresponds to the connotations of the "*Zwewla* State" (*Zwewla*: colloquial Arabic term for the poor) among popular segments. This reaffirms the importance of the unique historical context of Algeria, which witnessed the emergence of the demand for independence, as well as a nation-state.

In Algeria, more than in any other country, state's legitimacy is contingent on its ability to perform its function of elimination of inequalities, and it is held accountable on that basis. The state's performance of this function in Algeria was not limited to reducing market contradictions and addressing disparities – rather, it led to an explicit tendency to control the economy and a desire to stifle all liberal aspects of the market. As such, we can understand the governing elites' insistence on the state's determination to pursue its social role and its unwillingness to abandon it under any circumstances. Therefore, one of the main pillars of the legitimacy of the regime in Algeria is umbilically linked to the continuity of the subsidy system.

Endnotes

1. More information concerning neopatrimonialism, clientelism and the rentier economy in the Algerian context can be found in Lahouari Addi's various works on this subject, including: Lahouari Addi, L'Algérie et la démocratie, pouvoir et crise du politique dans l'Algérie contemporaine, Ed. La Découverte, Paris, 1994. ; Lahouari Addi, Le système de pouvoir en Algérie, son origine et ses évolutions, In : Confluences Méditerranée, n 115, 4/2000, pp 103-113. ; Lahouari Addi, Sociologie politique d'un populisme autoritaire, In : Confluences Méditerranée, n 81, 2/2012, pp 27-40. ; Lahouari Addi, Les obstacles à la formation de la société civile en Algérie, In : Anna Bozzo, Pierre-Jean Luizard (dir.), Les sociétés civiles dans le monde musulman, Ed. La Découverte, Paris, 2011. ; For Arabic references, see the informative article: Nouri Dris, The Army, the Government, and the State in Algeria: From a Populist Ideology to a Neopatrimonial State (□□□□□□□ □□□□□□□ □□□□□□□□ □□ □□□□□□□□□ □□ □□□□□□□□□□□□ □□□□□□□□□ □□□□ □□□□□□□ ,Doha ,Studies Policy and Research for Center Arab ,35 Issue ,Journal Arabiya Siayasat ,(□□□□□□□□□□□□□□□□□□□□ 2018.

2. Cf. Ferdinand Tönnies, Communauté et société, Editions Puf, Paris, 2010.

3. In this context, rent does not mean the financial resource in the form of oil revenues. Rather, it is the political and administrative system within and based on which rent distribution is supervised and organized.

4. Cf. Rachid Sidi Boumediene, Aux sources du Hirak, Editions Chiheb, Alger, 2019.

5. It is easy to notice this political exploitation of subsidy measures (i.e. the logic of politicizing subsidies as a way to depoliticize society) in other aspects of the subsidy system. Concerning housing subsidies and related mechanisms, the statement of the Mayor of Alger Abdelkader Zoukh (2013-2019) explained the criteria for granting and distributing housing subsidies, as well as the political goal (in addition to social one, of course) of the process. "Voting is a condition to obtain accommodation," Mr. Zoukh's statement said. Source: Ennahar Online, 25 September 2014, article entitled "Voter Card: a condition to obtain accommodation in the municipality of Central Algiers."

6. The most recent example of such practices is President Tebboune's approval of unemployment benefits in early 2022 targeting the youth. According to a World Bank report, 4 million young people have requested to benefit from the decision, and Mr. Tebboune said in a statement that one million young people had actually benefited from the grant. Source: www.tsa-algerie.dz/lincroyable-secces-de-lallocation-chomage-en-algerie/. You can also refer to the context of the Hirak popular movement, where the presidential elections of 12 December 2019 saw a fierce competition among the five candidates (Abdelmajid Tebboune, Ali Benflis, Azzedine Mihoubi, Abdelkader Bengrina, Abdelaziz Belaïd) in order to capture the votes of the youth and increase their participation in elections. The candidates competed to provide more privileges for youth. In this regard, they all promised to cancel or reschedule the debts of young people who benefit from the public funding of ANSEJ projects (National Youth Employment Support Agency).

7. The death of President Houari Boumédiène (27 December 1978) and accession of Chadli Bendjedid to the presidency marked the end of a mode of management of the state, society, and economy and laid the foundation for a new one. This included a change of human resources in the governance system, excluding technocrats (such as Belaïd Abdesselam) and giving power to bureaucrats (represented by party members and leaders whose influence increased). There were several descriptions for this change/shift, such as the desire to eliminate Boumédiène's legacy and supporters (deboumediennisation), renege on the commitment to industrialization (deindustrialization), etc. The official discourse focused on reviewing previous policies.

8. The special issue of El Watan newspaper (issued in French) entitled "La république des fils de…" (Republic of the sons of …), published on 28 July 2018, highlights an important aspect of the intersection between politics and economy in modern Algeria. El Watan, 28/07/2018.

9. The full text of the declaration of 1 November 1954 can be found on website of the Presidency of the Republic www.el-mouradia.dz/ar/algeria/texts/statement-of-november.

poverty and misery. In the minds of Algerians, the end of colonialism marked the end of unemployment and poverty. This analysis by Pierre Bourdieu can be found in: Pierre Bourdieu, Travail et travailleurs en Algérie, Editions Raisons d'agir, Paris, 2021. ; Pierre Bourdieu, Algérie 60, Editions Minuit, Paris, 1977.

10. The sociology of Pierre Bourdieu paid special attention to this issue in his works on Algeria. It showed that Algerians blame the colonists for their unemployment and social vulnerability and hold them responsible for the existing

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