

EIR National Economy

Seminar poses democratic solution for Algeria

by Dean Andromidas

On Sept. 11, Jacques Cheminade and Muriel Mirak-Weissbach of the Schiller Institute, joined with Dr. Abdelhamid Brahimi, a former prime minister of Algeria, in a seminar on the theme, "Algeria: Toward a Democratic Solution." The seminar, organized by the Center for Maghreb Studies, of which Dr. Brahimi is director general, was held at the School for Oriental and African Studies at the University of London.

The meeting, attended by Muslim intellectuals, representatives of Islamic studies institutes and of political movements, diplomats, and press, was chaired by His Excellency Dr. S.A. Moid of Pakistan, who has served his country as ambassador in Ghana, Poland, Romania, and Libya. Following a career in the diplomatic service from 1949 to 1985, Dr. Moid is now associated with the International Center for Islamic Studies in London.

In his opening remarks, Dr. Moid chronicled the events leading from the victory of the Islamic Salvation Front (FIS) in Algeria's December 1991 elections, to the armed conflict which has cost up to 50,000 lives. Dr. Moid focussed on the crucial role which France has played in the conflict, from the time of French President François Mitterrand's vital support to the Algerian junta, to the recent shift in the attitude from Paris, under the regime of President Jacques Chirac. "The advent of Mr. Chirac to the presidency in France last May," he said, "removed the uncompromising anti-Islamist [Interior Minister] Charles Pasqua of the outgoing Mitterrand administration, and elevated to premiership Mr. Alain Juppé, who, as Mr. Mitterrand's foreign minister, had stressed the need for political dialogue in Algeria, and also supported the 'Rome Platform' drawn up in January this year by the main political parties calling for free elections." Despite an initial round of talks with the opposition in Algeria, in response to this pressure from France, the Algerian junta had no serious

intention of reaching a peaceful solution, Dr. Moid indicated.

The strategic context in which the Algerian tragedy is unfolding was the subject of a speech delivered by Mrs. Mirak-Weissbach. Drawing on material presented a week earlier at the Schiller Institute conference in greater Washington (see *Special Report* in *EIR*, Sept. 15, 1995), she summarized Lyndon LaRouche's "Ninth Forecast" for imminent financial disintegration. Tracing the causes of physical economic breakdown in the "free market" policies of the last 30 years, she illustrated how the International Monetary Fund (IMF) had wrecked the economies of Africa, with special emphasis on Algeria. The way out proposed by the Schiller Institute involves global financial and monetary reorganization, and vast infrastructure-based development projects.

Jacques Cheminade, a prominent figure in the Schiller Institute in France, spoke on "The Role of France and the United States in a Democratic Algeria." Cheminade, who was a candidate in the French presidential elections, elaborated on a theme introduced by Dr. Moid, demonstrating how French policy has been shifting since the election of Jacques Chirac, toward a revival of the Gaullist policy of national sovereignty and independence. Cheminade pointed out the significance of the ouster of free marketeer, Economics Minister Alain Madelin, from the government, saying that Chirac could not at the same time attack "financial AIDS" of speculation with a promoter of the same disease in his cabinet. Cheminade referenced the historic relationship between John F. Kennedy and Charles de Gaulle, as the basis for a renewed partnership between Washington and Paris today, for the good. The civil rights movement in the United States and the decolonization fight in France in that era, which represented the moral struggle for the younger generation then, must be revived for practice today.

The final speaker, Dr. Abdelhamid Brahimi, a former prime minister of Algeria and author of several books on economics, presented devastating facts and figures to show how the policy followed by the military junta since 1992 has destroyed the economy utterly. Following the International Monetary Fund's Structural Adjustment Program, the Algerian government has liberalized prices internally, shifted to import-dependency for food, thrown the industrial workforce onto the unemployment lines, and debased the currency. Dr. Brahimi's carefully worked out study of the impact of these policies on Algeria, have allowed him to outline a forecast, according to which, if the same junta were to remain in power until the year 2000, the country would literally explode.

Due to the particular relevance of Dr. Brahimi's study to an understanding of the Algerian crisis, *EIR* republishes here the text of his speech, which has been slightly abridged.

Algeria at the crossroads

by Dr. Abdelhamid Brahimi

Dr. Brahimi, an economist and author of several books, is the former prime minister of Algeria, and at present director general of the Center for Maghreb Studies, London.

In 1995, Algeria, changed beyond recognition, stands on the edge of an abyss. Two possible ways lie before the country.

The first alternative is for the government to carry out on its policy of "eradication" introduced in January 1992 following the coup d'état organized by generals, former officers in the French army. In this case Algeria will plunge deeper into a crisis which is already very complex, and which will grow worse in every way in the course of a few months. This course, relying on severe repression for nearly four years, has demonstrated, however, the madness of the illusions shared by the generals responsible for the coup d'état and their isolation from the Algerian people and the representative political parties and their continuation in office by the use of force in order to protect illegal privileges, in defiance of the Constitution and the aspirations of the people, can result only in a deepening of the crisis and lead Algeria into ruin.

The second alternative, the path of wisdom, dialogue, and national reconciliation, will lead to the salvation Algeria and her entry into a new period, full of hope, with the promise of the free exercise of democracy.

We shall take a closer look at these two possibilities, starting with the situation as it exists today, and then evaluating their effect on the probable development of the economic and social situation of Algeria over the next few years.

I. The pursuit of a repressive policy

For nearly four years, the people of Algeria have been subject to terror, hunger, injustice, humiliation, arbitrary arrests, and summary executions. The violation of human rights by the military regime, as well as the violation of individual and collective freedom, has become the tragic daily reality suffered by Algerians since 1992.

1. The period 1992-95

If the policy of "eradication" is continued for several years, it will transform Algeria into a sea of blood and will ruin the country at every level. The disastrous results of the policies of the years 1992-95, are clearly demonstrated by the following facts:

1. More than 50,000 innocent Algerians have been killed.
2. The GDP (Gross Domestic Product) per head of population has sunk dramatically from \$2,500 per annum in the 1980s to \$1,100 in 1994, i.e., a drop of 56% in six years. The overall GDP has sunk from \$43.17 billion in 1992 to \$33.12 billion in 1995, in other words, a drop of 23.3%.
3. The continual marginalization of agriculture has led to a sustained increase in the import of foodstuffs. In 1995, nearly 90% of the country's agricultural and foodstuff needs depended on imports. Compared with 1992-94, there was a 25% fall in agricultural production in 1995.
4. In 1995, with the exception of the hydrocarbon sector, the State and private industry functioned at 20% of capacity, i.e., 80% of the existent industrial capacity is not used. The figure for industrial output has been constantly downward: -6% in 1992, -15% in 1993, and -10% in 1994.

5. Activity in the building and construction sector has also sunk considerably. Only about 40,000 homes were completed in 1994, compared with 130,000 in 1984, although the housing situation remains at crisis point.

6. The rate of investment (ratio of investment of GDP) has never been so low for 30 years. In 1994 and 1995, Algeria benefited by more than \$18 billion in fresh money, following two successive reschedulings of her debts. A large part of this resource was used to increase the import of foodstuffs and armaments. In fact, the imports of foodstuffs (35% of total imports) and industrial consumables (14%) alone made up 49% of total imports in 1994. This had never been seen since 1966. Military expenditure went up by 20% in 1994, and seems likely to continue at a high rate in 1995—all this at the expense of investment in production.

7. Unemployment, constantly increasing, exceeded 30% in 1995, and particularly affects the young. In fact, Algerians between the ages of 16 and 29 make up 83% of the unemployed, while constituting only 27% of the total population.

The unemployment crisis will worsen with the dismissal of more than 400,000 workers, resulting from the policy of