

# Algerian junta to slash energy subsidies amid mass protests

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As Algerian workers and youth descended into the streets for the 35th week of mass protests against General Ahmed Gaïd Salah's military regime, its energy bill to slash subsidies and raise energy prices for Algerian workers provoked deep anger. The bill has made clear the imperialist interests served by the regime, which has announced a presidential election for December 12—the first election since the ouster of former President Abdelaziz Bouteflika.

Last Sunday, hundreds of people protested in front of parliament against the bill approved by the cabinet ministers. The cabinet also approved the 2020 budget, which cuts public spending by 9.2 percent and introduces new taxes to reduce a budget deficit that is expected to stand at 7.2 percent of gross domestic product (GDP).

Police units were deployed to crack down on protests, but failed to disperse the crowd. The main areas surrounding Zighout Youcef Palace, the seat of the People's National Assembly, were invaded by angry protesters.

Protesters denounced the energy bill, chanting, "This country is not for sale," "Legislators traitors," and "You have pillaged this country." One protester declared, "This is a law written by foreign companies in their own interests, even the regime admits this."

Several days before, Energy Minister Mohamed Arkab had announced: "We have discussed with the big corporations that are ranked among the five best in the world, and we had the opportunity to notice two aspects that must be improved in the current hydrocarbon law—namely, the regulatory framework and the fiscal system."

The Algerian national energy monopoly, Sonatrach, had held talks with a number of major energy companies, including US firms Exxon Mobil and

Chevron and several European companies.

As world oil and gas prices fall, the Salah regime is pushing through a long-prepared energy reform. It aims to impoverish ordinary workers and escalate the looting of Algeria in the interests of imperialism and the Algerian bourgeoisie that has provoked the mass protests against the regime. Since the decline of oil prices in 2014, over 90 percent of households report that their living standards have fallen.

The *Arab Weekly*, which obtained a copy of the draft law, reports that "the government plans to lift subsidies on energy and electricity prices and subject them to international pricing. It continues: "Lifting the subsidies could lead to a nearly 300 percent increase in petrol, diesel and electricity retail prices, and most Algerians' family budgets would not be able to handle the increases."

Officials claim it is critical to eliminate the subsidies system, as most of the \$15 billion budgeted for subsidies goes to people who, they cynically claim, "don't need them."

Political analyst Raouf Farrah told *El Watan*, "The government is not telling the Algerian people, but this project will mark a definite step backward in public oversight and implementation of oil projects in favor of the interests of transnational corporations."

Trampling underfoot the mass opposition that had been focused on Bouteflika, the regime is trying to ram through a bill Bouteflika had discussed with the oil firms and hoped to pass upon securing a fifth term. Farrah said, "The main lines of this project were discussed and approved in talks with Total, Exxon, ENI and Repsol before February 22, 2019. Indeed, the Bouteflika regime aimed to modify the 2005 hydrocarbon law, partially amended in 2013, to obtain the political support of energy transnationals so they

would back his bid for a fifth term.”

This brings fresh confirmation that the bourgeoisie in Algeria, as in all the former colonial countries, is incapable of establishing any genuine independence from imperialism. Bouteflika’s attempt to seek a fifth term provoked mass protests by workers and youth that led to his ouster by the Army in the spring. Yet even after Bouteflika’s ouster and the jailing of dozens of billionaires and top officials close to him on corruption charges, his illegitimate laws aiming to plunder Algeria are still proceeding, with the approval of the military authorities.

Algeria is Europe’s third-biggest natural gas supplier, and its natural gas wealth is at the center of its economy. Hydrocarbon exports represent more than 95 percent of foreign currency receipts and 40 per cent of the state budget. The sharp fall in energy prices since 2014 raised the public deficit to 9 percent of GDP in 2018, and the state has reacted with drastic austerity measures. Algeria’s dollar reserves have fallen over this time from \$178 billion to \$89 billion.

Over this same period, under Bouteflika, a tiny oligarchy linked to the top layers of the regime and its hold over Sonatrach was massively increasing its already obscene wealth. The top 10 percent of the Algerian population owns 80 percent of the country’s wealth, whereas 35 percent of the population lives in poverty, subsisting on less than US\$1.25 per day.

The only progressive solution is for the workers to bring down the military junta, expropriate the billionaires now sitting in jail, and run Algeria’s energy industry as a public utility. The mass protest movement that erupted in February is coming up face to face with the reality that its fundamental aims can be achieved only through the revolutionary mobilization of the working class in a movement against capitalism and imperialism.

Fearing the upsurge of struggles in Algeria and across North Africa, as well as in Europe, the imperialist powers are seeking, in the name of “democracy” and “constitutional” changes, to work out a deal with various bourgeois forces in Algeria to quickly end the movement.

Last month, Marie Arena, president of the European Parliament’s subcommittee on human rights, declared her solidarity with the mass protests against Bouteflika that erupted in February. In a video on social media,

she said, “Today the protesters are men, women, young people who are asking for democracy in Algeria. We support them here in the European Parliament by organizing a hearing with a number of actors in the current revolution in Algeria.”

She stated that the protesters “of course demand that elections be held, but not under the current model, not under the current regime, not with the rules of the current regime.” She went on: “They demand that there be changes in the Constitution, that there be political pluralism, that there be freedom of expression and association, which is not the case today in Algeria.”

Arena’s statement reeks of hypocrisy. The EU powers regularly support military regimes to suppress the working class while claiming cynically to support “democracy.” The EU openly collaborates with Egyptian military dictator Abdel Fattah al-Sisi and tacitly supports his bloody terror against the Egyptian working class.



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