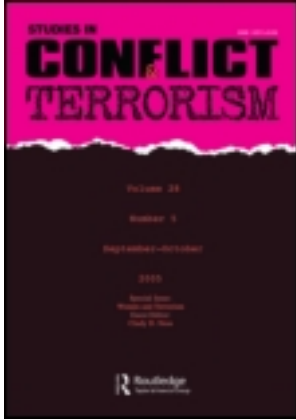


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Abdelaziz Testas

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## The Roots of Algeria's Religious and Ethnic Violence

ABDELAZIZ TESTAS

Nanjing University of Economics  
Foreign Affairs Office  
Jiangsu Province, China

*Although the existing literature on Algeria's civil conflict recognizes the role of religious and ethnic violence in the crisis, it does not sufficiently explain the various reasons behind it. The main aim of this article is to fill in this gap to some extent by examining the main factors determining the emergence of armed religious and ethnic groups in this country. The basic conclusion to emerge from the analysis is that, although such factors as the closure of the country's political space, state repression, and the growth of atavistic sentiments remain important in explaining Algeria's religious and ethnic violence, economic collapse, religious spending, and diversionary politics are variables that should not be ignored when addressing the sources and sustainability of such violence.*

The outbreak of violence in Algeria in 1992 that, according to official estimates, has cost at least 100,000 lives, has largely been attributed to the emergence of a large number of armed religious and ethnic groups.<sup>1</sup> Although both are aimed at overthrowing the current regime, religious armed groups are claimed to have been involved in a holy war or *Jihad* by which to establish an Islamic State, whereas ethnic (Kabyle) militia groups are claimed to have been striving for the establishment of a secularist government that privatizes religion and uses *Tamazight* as the official language.

Although international commentators have recognized the role of religious and ethnic violence in Algeria's civil conflict, they have not sufficiently explained the basic reasons behind it. More precisely, economic collapse, religious spending, and diversionary politics have rarely, if at all, been placed on an equal footing with democracy reversal, state political repression, and the growth of atavistic sentiments in explaining the conflict. The policy implications are serious: the inability to come up with a highly useful strategy that deals effectively with the roots of religious and ethnic terrorism. This indeed may explain the main reasons behind Algeria's failure to completely eradicate domestic violence although the country is celebrating its 10th anniversary of the armed conflict.

The main aim of this article is to explain the various reasons behind the emergence of armed religious and ethnic groups in Algeria while stressing the importance of such variables as economic collapse, religious spending, and diversionary politics. In order to achieve this, the rest of the article has been organized into three main sections.

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Address correspondence to Abdelaziz Testas, Nanjing University of Economics, Foreign Affairs Office, 128 Tielu Beijie, Nanjing 210003, Jiangsu Province, China. E-mail-testas@canada.com

Sections 2 and 3 review the existing literature on these issues. They also spell out in detail the new approaches to be used and discuss the results based on applying these to Algerian data. The final section provides some conclusions and policy implications.

## Religious Violence

### *Existing Theories*

The most popular explanations for Algeria's religious violence can be grouped under three main headings: (1) the clash-of-civilization theory, (2) the Afghan war spill-over effects hypothesis, and (3) the closure of political space explanation. These existing theories are further elaborated in what follows.

*Clash-of-Civilization Hypothesis.* Recent theoretical and empirical research in both political science and economics points to the growing importance of religious differences as a cause of civil conflicts. For example, drawing on Samuel Huntington's<sup>2</sup> theory of religious fragmentation, originally known as the thesis of civilizational clashes, Reynal-Querol<sup>3</sup> and Reynal-Querol and Garcia-Montalvo<sup>4</sup> have provided statistical support for the claim that there exists a positive association between domestic conflicts and religious polarization. They conclude that their results "corroborate what Samuel Huntington claims about the importance of religious differences to explain domestic conflicts."<sup>5</sup>

If such findings are to be generalized to all cases of domestic conflict, one would be bound to conclude that Algeria's civil conflict is a natural consequence of such a religious polarization. This, according to Hume,<sup>6</sup> should be the case because the country is a host to several ethnic groups with different linguistic and religious affiliations.<sup>7</sup> According to Huntington,<sup>8</sup> the conflict would simply be the natural consequence of an Islamic civilization that is at odds with universal culture.<sup>9</sup>

The policy implications of such claims are serious. In Algeria, as pointed out by Entelis,<sup>10</sup> the military-backed government and ethnic Kabyle leaders have already sought to explain the armed conflict in terms of a cultural or civilizational clash. As Entelis phrased it, "the military and some of its misguided allies in civil society have sought to transform this conflict into an intra-civilizational debate in which the so-called secularists in the military are doing everything in their power to project an image of noble defenders of the country's modernity, development, democracy and secularism."

There are problems with this approach. As Entelis pointed out, it projects a false image of democracy in Algeria. As he put it, "the behavior of the military and groups like the RCD [Rally for Culture and Democracy] in the face of a popular will for democratic transformation reveals the stark reality of the current situation for these groups are neither democratic nor secularist but opportunists seeking to maintain their privileged positions of power and influence against the will of the majority of ordinary Algerians. In no way can these so-called secularists be defined as possessing a rationalistic, scientific, modernistic and democratic view of social and political life."<sup>11</sup>

In fact, the whole problem here originates from the methodological flaws associated with the clash-of-civilization thesis as well as with the empirical research that has been based on it. As regards empirical research, Reynal-Querol<sup>12</sup> and Garcia-Montalvo and Reynal-Querol's<sup>13</sup> results, for example, run counter to those of Collier<sup>14</sup> and Collier and Hoeffler<sup>15</sup> who use different concepts and measures of cultural fragmentation. They also analyze the causes of all civil wars, unlike Reynal-Querol<sup>16</sup> and Garcia-Montalvo and

Reynal-Querol,<sup>17</sup> who only concentrate on ethnic wars. The results are, therefore, highly sensitive to the kind of indices used as well as to the sample coverage.

As regards the theory of clash-of-civilization itself, Esposito<sup>18</sup> has shown that its approach is rather simplistic as it seeks to reinforce certain stereotypical dichotomies in an attempt to obscure the fact that Islamism is a function of several variables that are not purely religious or cultural. Indeed, in the case of Algeria, as will be shown in this article, insisting on the clash-of-civilization thesis as the main cause of the country's civil conflict would inevitably ignore the "non-civilizational" variables, namely economic collapse, religious spending, and diversionary politics that largely determine the rise and fall of Islamism, thus directly influencing the duration as well as the potential future replication of the conflict.

In other words, one of the main reasons why the Algerian government has failed to put an end to the Islamist rebellion may stem from the fact that the determinants of religious fundamentalism may have not been sufficiently understood. In particular, reducing the causes of the conflict to a mere civilizational struggle between the so-called democrats (i.e., the government and Kabyle leaders) and the Islamists has implied that non-civilizational variables are to be pushed to the background if not ignored completely, which explains the limited success of the currently used tactics of trying to eradicate Islamism with weapons rather than with non-military means. It is thus important to emphasize that the contribution of Islamism to Algeria's civil conflict has not been through religious fragmentation or a clash of civilizations.<sup>19</sup>

*Afghan War Spill-over Effects Hypothesis.* The Afghan war explanation, which has been popular among international commentators and Algerian politicians since the eruption of armed religious violence in 1992, states that this violence is a function of the role played by veterans of the Afghan war in galvanizing militant Islamic sentiment in the 1990s. The evidence to justify such a claim is that the GIA (Armed Islamic Group) has had recruits among former Algerian volunteers trained in guerrilla tactics by the Afghan freedom fighters.

Although this explanation remains valid *viz-à-viz* the GIA, it cannot stand alone as the only explanation for Algeria's religious violence. First, such violence is not purely a function of the GIA. Algeria has witnessed the emergence of a large number of armed religious groups since 1992, including the Salafist Group for Call and Combat, the Islamic Salvation Army, the Al-Rahman Battalion, the Islamic Front of the Armed Jihad, Katibat El Ahoual, the Islamic League for Call and Jihad, and the Ansar and Mawt Battalion, most of which had no relation to the GIA. In fact, even the GIA itself includes some members who have little to do with the Afghan war, such as those from the banned Islamic Salvation Front (FIS).

Second, this does not explain why people are attracted to the GIA; it is well known among Algerian commentators that the GIA does not use force to recruit members because this would lead to a high rate of desertion and adversely affect combat effectiveness. Indeed, according to newspaper reports, unemployed youth are easy prey for Islamist recruiters: in December 1997, for example, 25 GIA recruiters were arrested in the poor suburbs of Algiers and in Blida. It has also been stated by such reports that a typical member of the GIA is in his twenties, single, unemployed, with little education and a poor knowledge of French and Arabic. In fact, most GIA recruits have no political culture.

More importantly, even if the Afghan war has had its spill-over effects and thus prompted Algeria's religious violence, this does not answer the question of why religious violence erupted in 1992 as opposed to, for example, 1985. Timing is very important in

explaining the emergence of religious armed groups, although the events of 1992 themselves are a function of prior events that were mainly economic in nature. In particular, the economic collapse of world oil prices in 1986 led to the Black October riots of 1988, which in 1989 forced the government into a survival (democratization) game that was based on diversionary politics.

*Closure of Political Space Hypothesis.* A complementary explanation to the Afghan spill-over effects hypothesis is the idea that the annulling of the FIS's electoral victory in 1991–92 has galvanized the Islamists into action. In this sense, the reversal of democracy explains Algeria's religious violence. This argument is based on the hypothesis that the closure of political space leads to frustration and frustration leads to armed conflict. This is especially so when such a closure is accompanied by explicit state terror, repression, and general human rights violations.

Although there is no doubt that this has helped galvanize the Islamists into action, it does not explain why the state rebelled against democracy and repressed the Islamists in the process, nor does it explain why the Islamists themselves could attract recruits. It does not even explain why the Islamists became popular in the first place by winning the 1990 and 1991 elections, why the government opened the political space in 1989, and why it closed it in 1991. It is the answers to these questions that provide the key to an understanding of Algeria's religious violence. This means that a complementary or alternative approach to explaining the emergence of armed religious groups in this country is needed.

### *Extensions and Alternatives to Existing Theories*

In this section, a new approach, complementary to the Afghan-war-spill-over-effects and political-space-closure hypotheses, and alternative to the clash-of-civilization thesis, is developed and applied to Algeria's situation. This approach, which is based on the country's practical experience, is first explained in its general form as it may apply in part or in whole to other countries.

*The General Form.* In this approach it is hypothesized that religious violence (with its international spill-overs) is a function of religious fanaticism<sup>20</sup> which, other things being equal, is determined by government religious spending.<sup>21</sup> This in itself is a function of the state of the economy or business cycle. During periods of economic decline (recessions or depressions), the popularity of religious groups rises while that of secularist governments decreases. In the absence of a major collective action problem, given religious homogeneity or small religious fragmentation, and the presence of a low opportunity cost for rioting (as well as rebellion), the pressure on the government for political change (to take into account religious groups' interests) increases.

In an effort to minimize the impact of violent religious riots, the government responds by increasing religious spending. Although this temporarily achieves the aim, it further increases both the popularity and political strength of religious groups. When this reaches a threshold level it forces the government to play the democratic game. Since a government defeat in free elections is eminent (as the population looks for alternatives given the catastrophic economic situation), the end result would be a bloody confrontation between the state and the armed religious groups.

The likelihood of such a confrontation is well predicted by recent empirical and theoretical research seeking to determine the factors leading to revolt against democ-

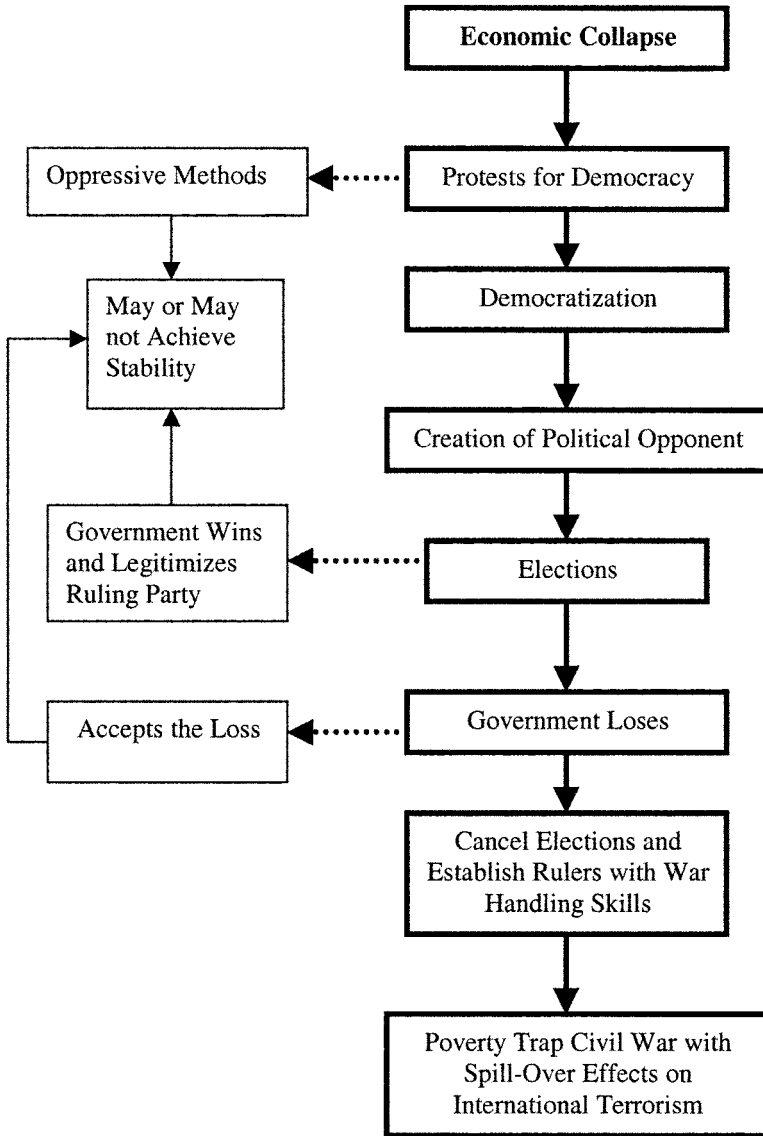
racy. Thus, drawing on the work of Przeworski,<sup>22</sup> for example, the prediction is such that, at a certain level of economic decline, a government embarking on a democratization experiment is expected to rebel against democracy in the face of an election defeat. The intuition behind this, as explained by Przeworski,<sup>23</sup> is that, unlike in affluent societies where the electoral losers have too much at stake to risk being defeated in a struggle over dictatorship, in poor societies there is little to distribute, so a party that moves against democracy and is defeated has relatively little to lose. In very broad terms, *given the relations of military force*, it is risk aversion that motivates everyone in affluent societies to obey the results of electoral competition.<sup>24</sup>

In an attempt to force a win in such a confrontation, the government resorts to scapegoating and diversionary politics. It diverts the public's attention away from the major causes of failure (i.e., economic collapse) by erecting (as opposed to electing) a leader who has conflict-handling skills or historical legitimacy. This view is compatible with the scapegoat (diversionary) theory as explained by Hess et al.,<sup>25</sup> Hess and Orphanides,<sup>26</sup> and Clark.<sup>27</sup> This states that an incumbent leader with an unfavorable economic performance record would initiate a political conflict to force the learning of his military leadership abilities on the population and thus salvage, with some probability, his reelection.<sup>28</sup>

A situation like this, as demonstrated by Hess et al.,<sup>29</sup> leads to a poverty-conflict trap. Such a trap operates this way. As growth falls, conflicts occur. As El Badawi<sup>30</sup> put it, "at the microeconomic level, the opportunity cost of a civil war from the perspective of a potential rebel enlistee is relatively smaller in poor countries with low levels of income." Taking a long-term perspective, as pointed out by Hess et al.,<sup>31</sup> this can be generalized to mean that given similar levels of income, a country with a lower growth rate faces a relatively lower opportunity cost of going to conflict than a country experiencing a higher rate of growth. This effect would then point toward an increase in violent activity during periods of low growth.

At the same time, conflict affects growth. For example, as pointed out by El Badawi,<sup>32</sup> conflicts play a role in reducing the capital stock (human and physical) both in the short and long term. Hence, conflicts, as pointed out by Hess et al.,<sup>33</sup> do not only affect the actual level of output, but also the rate at which it grows. Other factors that affect growth include the displacement of people and the increased insecurity that are detrimental to growth. Furthermore, as shown by Collier,<sup>34</sup> conflicts affect growth through four more channels: destruction, disruption, dis-saving, and portfolio substitution. The disruption of daily life and the social instability that often comes with it affects growth directly. Similarly, the suppression of civil liberties, as shown by Isham, Kaufman, and Pritchett,<sup>35</sup> reduces the efficiency of public expenditure. A similar effect occurs as a result of the diversion effect where public expenditure is diverted from output-enhancing activities. Finally, the portfolio substitution effect implies that as a result of the uncertainty and economic deterioration, private agents will engage in portfolio substitution and move assets out of the country. This substitution effect, as pointed out by Collier,<sup>36</sup> need not be limited to financial capital, as it may also include the fleeing of a productive labor force.<sup>37</sup>

The general framework just explained can further be illustrated by reference to Figure 1. This shows that economic collapse prompts religious groups to organize for political protests. These usually rally for an increase in religious spending and the inclusion of religious interests into new political charters, in the hope of eventually establishing a religion-based government. The worsening economic situation means that the opportunity cost of rioting is rather low given high unemployment rate and low living



**Figure 1.** A model of economic collapse and diversionary politics.

standards, so religious groups have little problem in gathering support, which will later be capitalized on for rebellion.<sup>38</sup>

In response to violent political protests, as shown in Figure 1, autocratic governments have two main instruments: (1) deal with protestors in a repressive manner, or (2) gradually adhere to their demands, which eventually leads to a process of democratization and political liberalization. If political repression is used as an instrument, then political stability may be maintained since under autocratic regimes, as shown by the theory of political violence,<sup>39</sup> the costs of rebellion are high and there is small likelihood of success. A protest may fail to convert into a rebellion because of the absence of opportunity. As shown by Gurr<sup>40</sup> and Ellingsen,<sup>41</sup> although all regression can be hypothesized

to be based on frustration or grievance, frustration alone is insufficient to lead to civil war. People will mobilize for collective action, including rebellion, only when opportunity becomes available. This opportunity, which may be thought of as the opening up of political space or democratization, is absent under an autocratic government.

However, if the (autocratic) government resorts to democratization as a political game in an attempt to deal with religious grievances and seek legitimacy, it needs to create a political opponent. In Islamic countries, the Islamists are the best candidate because they are easy to manipulate as well as discredit when the government loses elections. One of the main reasons for this is that, after the Iranian Revolution in the 1970s, the Islamists, except for the Western support to the Afghan Mujahideen campaign against the Soviet Union during the 1980s, have generally received a cold welcome from the international community. A good example is the "encouragement" of the Iran–Iraq war in the 1980s that was aimed at discouraging Iran from exporting its "revolution" to the rest of the Islamic World, namely those in the Middle East.

Another reason stems from the fact that, for some ideological reasons, some right wing elements in non-Islamic societies have long equated Islam with terrorism and political violence, if not with fascism. This has meant that when religious groups adopt the slogan of an Islamist State, they are automatically discredited in the eyes of the international community. In the eyes of the ruling establishment, these international constraints can be used to boost the government's legitimacy in the face of an election defeat.

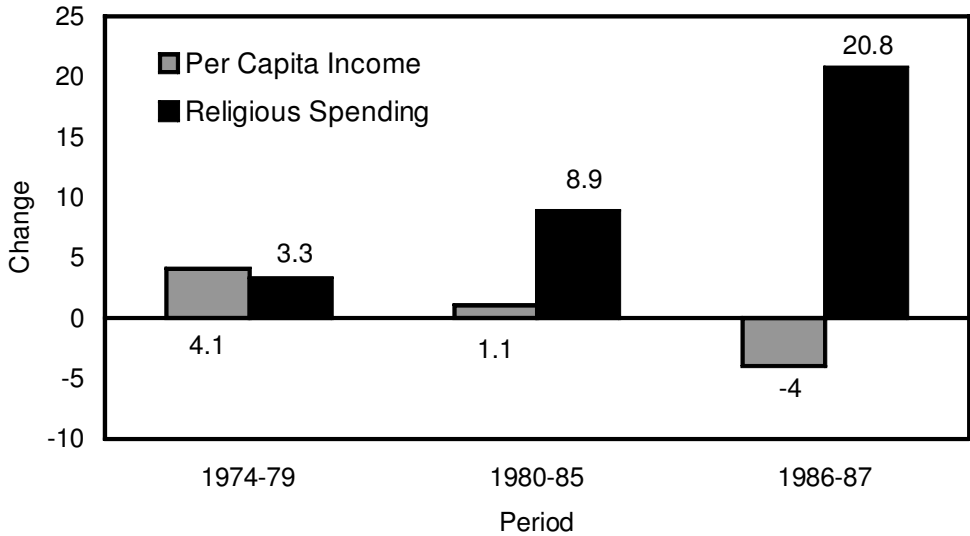
In fact, when the government is defeated, as shown in Figure 1, there are two possible reactions. One is that the government accepts the defeat and obeys the results of free elections. In this case, one would theoretically expect political stability to be maintained since under democratic regimes people would have little grievances as the level of political repression declines in comparison with autocracy. In practice, however, as demonstrated by Przeworski,<sup>42</sup> economic collapse is likely to galvanize both the losing and winning parties into action by rebelling against democracy.<sup>43</sup>

If the government rebels against democracy, which is the second response, one would expect religious groups to rebel against the government since their level of grievances has reached a threshold and that, at times of economic collapse, they are expected to gather large support from the population. This suggests that the costs of both indoctrination and collective action will be relatively low, so the fundamentalists expect a mass mobilization and thus victory over the government.

The government's response to this rebellion would be to rebel against it. In an attempt to prove its case, the ruling establishment, as indicated earlier, erects leaders who have historical legitimacy or conflict-handling skills. This leads to a vicious cycle of conflict since leaders with poor economic knowledge but good military characteristics are erected. This provides a type of growth that is propagated by internal political factors and instability.

To summarize, the analytical framework described earlier indicates that: (1) there exists a negative relationship between economic collapse and religious spending; (2) there is a threshold level of religious spending that forces the government into a political game in an attempt to boost its legitimacy; and (3) the loss of elections prompts the autocratic government to practice diversionary politics leading to a poverty-conflict trap.

*The Case of Algeria.* The hypothesized negative relationship between economic collapse and religious spending in Algeria's case can be confirmed by looking at Figure 2. This plots per capita income growth (a rough measure of change in living standards) against the growth in religious spending over the period 1974–87. The latter is divided into



**Figure 2.** Per capita income growth and religious spending in Algeria, 1974–1987.

three main sub-periods: 1974–79, which is characterized with high real per capita income growth; 1980–85, which is characterized with lower but positive per capita income growth; and 1986–87, which is characterized with negative per capita income growth.

As can be seen from Figure 2, during 1974–79, real Gross Domestic Product (GDP) per capita growth was relatively high, averaging more than 4 percent. As a result, real growth in religious spending was modest, reaching a growth rate of about 3 percent. During the period 1980–85, real GDP per capita growth declined to about 1 percent, prompting an increase in religious spending by about 9 percent. During the 1986–87 period, the collapse in real GDP per capita growth prompted a substantial increase in religious spending. Thus, a real GDP per capita growth of –4 percent was matched by a real growth rate of religious spending of more than 20 percent.

These statistics invoke three main questions: (1) Why is real growth in religious spending important? (2) Why is it a good indicator of Algeria’s business cycle? and (3) Why did the economy fail in the 1980s?

As regards the importance of religious spending, this is because the government has, since independence from France in 1962, had a monopoly over religion. The Algerian government asserted state control over religious activities for purposes of national consolidation and political control. In particular, the state monopolized the construction of mosques while the Ministry of Religious Affairs controlled public mosques. *Imams* (priests) were trained, appointed, and paid by the state and the Friday sermon was issued to them by the Ministry of Religious Affairs. The latter also administered religious property, provided for religious education and training in schools, and created special institutes for Islamic learning.<sup>44</sup> Since these activities were controlled by the state through religious spending, the latter is a good determinant of the growth of Islamism in Algeria.

As regards the relationship between religious spending and the business cycle, this offers a good explanation of the origins of Algeria’s religious groups because when the economy was doing well during the 1970s, the Islamists found it difficult to gather

support for protests since the opportunity cost of rioting was very high. People preferred to work and enjoy reasonably high living standards. During the 1980s, the economic situation worsened, thus galvanizing the groups into action.

As far as the collapse of the economy during the 1980s is concerned, this is a function of the fact that the economic model that was in place during the 1970s came to a complete bankruptcy during the 1980s. The model that was adopted by President Houari Boumedienne during the 1970s was based almost solely on capital accumulation and labor growth: efficiency growth and technological progress played a minor role. A system like this is predicted by the economic theory to collapse since, in the long run, the law of diminishing returns ensures that only societies whose economic system is based on efficiency growth could survive.<sup>45</sup> This prediction was confirmed during the 1980s, especially in the aftermath of the world oil price collapse in 1986.

The model that Boumedienne adopted had serious implications for long-term political stability. The model in place during the 1970s can be termed as a developmental dictatorship model. This was based on a tacit agreement between the political rulers and the general public that economic development should take precedence over political freedom and that people should restrain their demands for political rights in return for the better life.

This approach works well as long as the economy keeps rapidly growing. The people will accept state dictatorship as long as they enjoy increasing prosperity. Once the economic pie starts shrinking, however, they explode in protest against the ruling establishment. This, for Algeria, can be confirmed by looking at Figure 3, which highlights the main economic events leading to the country's major religious (democracy) riots. In this figure the extent of economic progress is measured, as before, by the country's real GDP per capita growth rates. Thus, as shown in the figure, these riots date back to 1980–81 when the real GDP per capita growth rate declined from 4.6 percent in 1979 to -2.4 percent in 1980 and to -1.4 percent in 1981. The 1980–81 riots were organized by Algeria's Communists, who advocated a state based on Marxist principles where religion is kept out of politics, if not disregarded all together. In response to these events

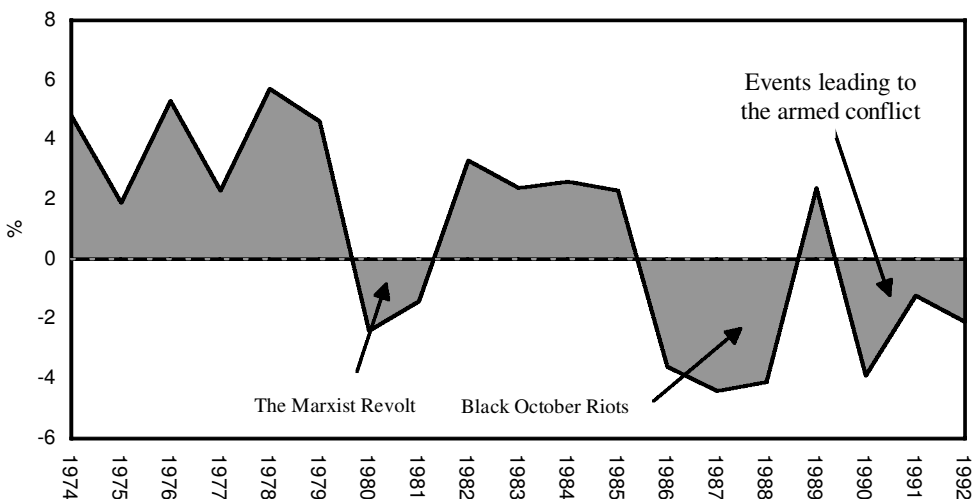


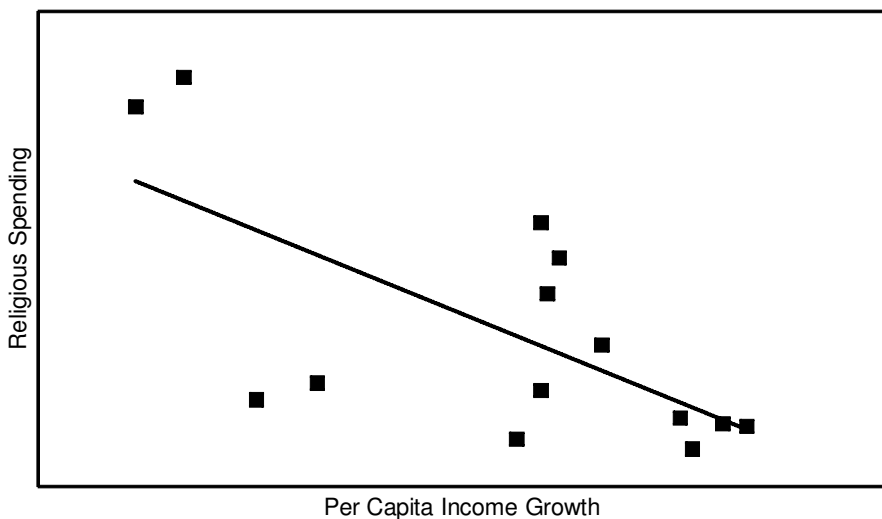
Figure 3. Per capita income growth and religious riots in Algeria, 1974–1992.

the Islamists in 1982 organized themselves in massive protests,<sup>46</sup> thus prompting the government to increase religious spending to encounter the Marxists.

The second major protests occurred during the period 1986–88, culminating in the Black October riots of 1988 which, according to Addi,<sup>47</sup> cost a thousand lives. These followed from the 1986 world oil price collapse. Thus in 1986 the real GDP per capita growth rate decreased to  $-3.6$  percent from  $2.3$  percent in 1985. In 1987 and 1988 the respective real GDP growth rates were  $-4.4$  and  $-4.1$  percent. During the 1986–88 riots the Islamists marched to the streets of Algiers and other major cities demanding democratic change. In fact, in 1986, they forced a referendum that approved a new National Charter. Several religious groups formed an alliance calling themselves the Party of *Allah* (God). The influential *Ahl ad-Da'awah* group (People of the Call) were responsible for putting pressure on the authorities to take account of religious interests. As a result of this the constitution was amended to take account of such interests. At the same time, religious spending increased dramatically.<sup>48</sup>

This negative relationship between economic collapse and religious spending can be further confirmed by looking at Figure 4. This plots in a scatter diagram the relationship between per capita income growth and growth in religious spending for the period 1974–87. As can be seen from the figure, although the relationship is not a perfect one (since the dots do not converge on the trend line), the negative relationship is nevertheless apparent.

This non-perfect relationship tells an interesting story—there are factors other than economic collapse that contributed to the increase in religious spending. This is exactly what was expected. During the 1980s, the government, aware of its economic mismanagement, planned for a democratic game to try to boost its legitimacy. It then needed a political rival, the Islamists. Thus the increase in religious spending was not only a response to pressures from the Islamists but also a deliberate action to create an Islamist movement that challenged the government in elections but was easy to discredit in case the government was defeated. One argument in support of such a claim is that, although



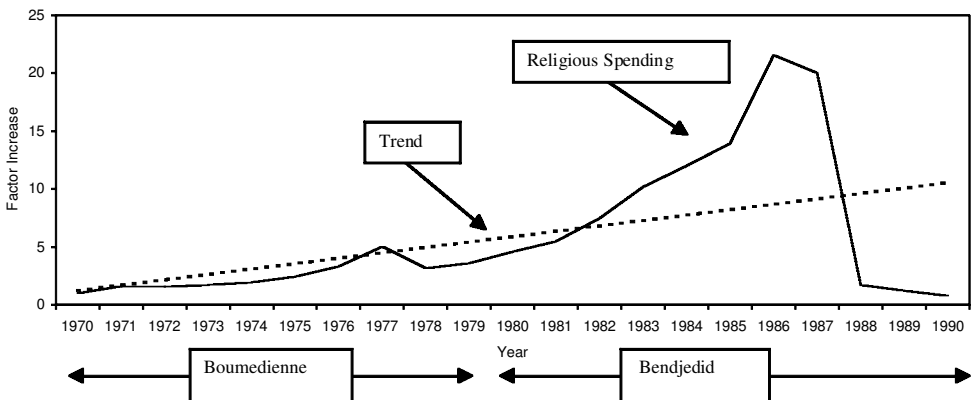
**Figure 4.** A scatter diagram of per capita income growth and religious spending, 1974–1987. (Source: World Bank (1994) and Ministry of Finance, Algiers.)

the law of 1989, which legalized multipartism, prohibited any association formed exclusively on religious grounds, the party that profited most in the 1990 and 1991 elections was the Islamic Salvation Front.

The encouragement to the Islamist movement can be confirmed by analyzing the growth in religious spending under the Bendjedid regime in the 1980s and that of Boumedienne in the 1970s. This is done by help of Figure 5, which plots on an annual basis the factor increase in religious spending for the period 1970–1990. The figure shows clearly that throughout the 1970s, under the Boumedienne regime, religious spending was significantly below its trend, although this was well above its trend during the 1980s under the presidency of Bendjedid. Furthermore, as can be seen from the figure, religious spending declined drastically during 1988–90, the period leading to local elections.<sup>49</sup> This suggests that, whereas the Bendjedid regime deliberately encouraged Islamism during the 1982–87 period, it discouraged it during the period 1988–91 for election purposes.

Bendjedid's democratic game began formally in November 1988, about one month after the Black October riots of that year. A number of earlier proposed reforms were approved in a national referendum and plans for revisions of the national constitution were announced. The reforms included, for the first time, the free representation in local and national elections.<sup>50</sup> Complementary to this, a new constitution was accepted by national referendum in February 1989. This formalized the political separation of the National Liberation Front (FLN), which had ruled Algeria since 1962 and the state apparatus, and allowed for the creation and participation of competitive political associations. It also diminished the role of the military in the political triangle, and only briefly alluded to the historical role of the FLN.<sup>51</sup>

The legalization of political parties, further enunciated in the Law Relative to Political Associations of July 1989, was, therefore, one of the major achievements of the revised constitution. As a result, more than 30 political parties emerged as a result of these reforms by the time of the first multiparty local and regional elections in June 1990 and nearly 60 existed by the time of the first national multiparty elections in December 1991. Historically, as pointed out by the U.S. Congress,<sup>52</sup> such parties were precluded because the FLN had a national mandate as a front, eliminating the political necessity of competitive political parties. Other political associations had also been



**Figure 5.** Factor increase in religious spending, 1970–1990 (1970 = 1.0). (Source: Ministry of Finance, Algiers.)

**Table 1**  
Living standards in Algeria as measured by  
real GDP per capita (1995 US\$), 1975–98

Year	Real GDP per capita
1975	1460
1980	1692
1985	1860
1990	1638
1998	1521

*Source:* Human Development Report, 2000.

limited because trade unions and other civil associations fell under FLN direction and had little autonomy. The new constitution recognized all political associations and mandated only a commitment to national unity and sovereignty.

On the other hand, although democratization was planned by Bendjedid as a desperate effort to regain the political initiative and further his own political ambitions by altering the political configuration in his favor, there was certainly an economic dimension to this game. More specifically, this experiment coincided with severe economic depression. By 1991, the living standards of ordinary Algerians had declined sharply whereas unemployment and inflation rates increased substantially. It is estimated that, in 1990, for example, Algeria's living standards, as measured by real GDP per capita, were lower than they were a decade ago (see Table 1). At the same time, the country's unemployment rate was 40 percent higher than Europe's average for the Great Depression period 1930–38, while the inflation rate was 78 times higher than that of the United States (see Tables 2 and 3).

Recent theoretical and empirical work on democratization, democracy reversal in Algeria in 1991, and the outbreak of violence in 1992 supports the general hypothesis that the level of economic development has a bearing on the development and survival of democracy, and thus the level of civil violence. As pointed out by Ellingsen,<sup>53</sup> wealth

**Table 2**  
Algeria's unemployment rates as a percentage  
deviation from those in Europe during the  
Great Depression period (1930–1938)

Years	Europe's average*
1987	43
1989	21
1990	40

\*U.K., France, Germany.

*Source:* Great Depression averages come from Blanchard (see note 45); those for Algeria are from the National Office of Statistics (Algiers).

**Table 3**  
 Ratios of Algeria's inflation rates to  
 those of the U.S. average during the  
 Great Depression (1930–1938)

Years	Ratio
1990	77.8
1991	112.6
1992	137.8

*Source:* U.S. Great Depression Inflation Rates are from Blanchard (see note 45); those for Algeria come from the National Office of Statistics (Algiers).

is accompanied by a number of factors contributing to democracy, namely a higher level of literacy, urbanization, and growth of the mass media. Modernization works through education, occupational mobility, free flow of information, and organizational experience, which encourage adaptability and stimulate competence, tolerance, and moderation. Increased access to material and political resources, together with greater institutional diversity, act as preconditions for a stable democracy.

The positive effect of higher living standards on political stability, as pointed out by Ellingsen, is based on the classical hypothesis that “the more well-to-do a nation, the greater the chance that it will sustain democracy.”<sup>54</sup> This hypothesis has recently been confirmed by Barro<sup>55</sup> and Przeworski<sup>56</sup> in cross-section analysis. Thus, analyzing growth and democracy data for a panel of about 100 countries from 1960 to 1990, Barro<sup>57</sup> came to the conclusion that, “democracies that arise without prior economic development tend not to last.” Similarly, studying the experience of a large number of countries, Przeworski<sup>58</sup> found a threshold income below which democracy cannot be sustained. Indeed, on the eve of the cancellation of presidential elections in Algeria in 1991, the average income of an Algerian was only about 20 percent of the threshold discovered by Przeworski.<sup>59</sup>

The conclusion that economic collapse may explain to a large extent the unsustainability of Algeria's democratization experiment, and thus the civil conflict, runs counter to the large number of studies claiming that Islam is behind authoritarianism in the Islamic World, for two reasons.<sup>60</sup> First, Algeria's experiment with democratization, *albeit* rather short, suggests that an initiative can occur even in Islamic countries.<sup>61</sup> Second, the reversal of democratization was actually aimed at using the Islamists for political games but eventually preventing them from climbing to power, which proves that democracy can also be aborted by non-Islamists. In this case, it seems more appropriate to suggest that the lack of democracy in Islamic countries is partly a function of attempts to sustain a secular state; God is not the one to blame.<sup>62</sup>

More importantly, the fact that: (1) democratization was planned by Bendjedid as a desperate effort to regain the political initiative, and (2) this experiment was partly a function of the economic situation lends support to what is known in political science as the diversionary theory.<sup>63</sup> Naturally, as pointed out by the political science literature, political leaders have the job of solving numerous social problems and providing employment and prosperity without inflation. If the population is not satisfied, officials will

be faced with dissatisfied demonstrators trying to topple them. To prevent this dissatisfaction, these leaders can: (1) deliver what the population wants, (2) persuade the voters that they are delivering even if they are not, (3) persuade the voters not to want what the officials cannot or do not wish to deliver, or (4) distract the population's attention by creation or dealing with a new problem.

In the case of Bendjedid, unfortunately, only the fourth option was left: to distract the population's attention by creation or dealing with a new problem. Traditionally, as Quandt<sup>64</sup> pointed out, the Algerian government relied on political repression, co-optation, ideology, and a cohesive *core group* to maintain its legitimacy and authority. Yet, by the early 1980s, a new generation had emerged on the scene, which consisted mainly of marginalized, male youths for whom revolutionary rhetoric rang hollow as a source of legitimacy. In addition, declining oil prices and mounting debt problems weakened the capacity of the state to provide subsidies and services and thereby maintain its patronage system. In turn, this sharpened the divisions within the regime's inner circle, whose members vied with and maneuvered against one another. These trends crystallized in the massive October 1988 uprising by which the Islamists forced the government into a political game and diversionary politics.

The diversionary hypothesis can be confirmed by the fact that, since the start of the armed conflict in 1992, the regime has established either leaders with historical legitimacy or those with conflict-handling skills. Since the skills of such politicians are embodied more in their historical legitimacy or war-handling skills and much less in economic competence, it was natural that they would divert the attention away from the catastrophic economic situation that the country has experienced since the collapse of world oil prices in 1986, and lead the population to believe that religious violence has no economic roots and that the military machine is the only way to eradicate it. This has led to a situation that was accurately predicted by the diversionary theory of political violence: citizens have gotten stuck with leaders who are bad at handling the economy, thus reinforcing a cycle of low growth and civil conflict.

Indeed, whereas most commentators have long argued that religious violence in Algeria has been sustained by the increasingly explicit use of state terror, repression, and general human right violations, the impact of economic mismanagement in post-1992 Algeria has been either ignored or simply pushed to the background. Yet an economic situation that is more depressive than that of the Great Depression and Second World War is bound to galvanize people into further action. As Collier and Hoeffler<sup>65</sup> have shown, civil conflict is undoubtedly a characteristic of poor and declining economies, not of affluent societies. In fact, it seems safe to argue that this terror and repression by the government has its source in economic collapse itself. Usually politicians are more relaxed when the economy is doing well as they face little challenge from the population, whereas a ruined economy poses a great challenge to their seats of power. As dissatisfaction grows, this challenge increases so dictators and autocrats are bound to use bigger sticks to try to protect their autocracies and kingdoms of power. Furthermore, economic collapse magnifies ethnic grievances and makes this challenge even bigger.

The economic challenges facing post-1992 Algeria are great and may amount to more than the requirement of a Marshall-type plan. For example, between 1992 and 1999, real GDP grew by an average of only 1.7 percent; 80 percent lower than recommended by the World Bank to just keep the unemployment rate at its current average level.<sup>66</sup> As a result, the unemployment rate, using official estimates, is far higher than the average rate for Europe during the most difficult period of the Great Depression, 1930–38.<sup>67</sup> It is estimated that in 1998, for example, Algeria's unemployment rate was

at least 95 percent higher than the average rate for Europe during the Great Depression period. At the same time the purchasing power of those who have managed to keep their jobs, which is reflected in their sharp reduction of spending on consumer goods, has dropped dramatically. Thus, as shown in Table 4, between 1993 and 1997, spending on beef and chicken decreased by almost 40 percent, respectively, whereas spending on dessert declined by more than 35 percent. At the same time, about 60 percent of households' income was spent on food, which confirms the predictions of microeconomic theory that, at lower levels of economic development, people spend most of their income on basic needs.<sup>68</sup>

Economic mismanagement during the 1990s has created further social problems. For example, housing provision is seriously inadequate both in terms of quality and quantity. Thus the International Crisis Group (ICG)<sup>69</sup> report estimates that at least 2 million new housing units are needed and much of the existing stock is in very poor condition. It is also estimated that in 1996, 28 million people lived in about 3.5 million housing units, an occupancy ratio of almost 8, in which 55 percent of the housing stock had been built before independence in 1962 and 10 percent is considered to be unsanitary. Similarly, social provision has undergone serious declines in the field of education and health. Not only are literacy rates still low at about 57 percent of the population, but spending on education had declined in real terms. All these circumstances, as pointed out by the ICG<sup>70</sup> report, are ideal breeding grounds for renewed anger against government and for a regeneration of violence among the large segment of the population who feel excluded and marginalized.

At the same time, the Algerian government is pressing ahead with its commitment to eradicate violence through widespread militarization as opposed to economic revivalism. Thus some 500,000 Algerians are estimated to be involved in "security" activities, including regular army soldiers, police officers, local armed militiamen, and members of private security forces. These constitute about 6 percent of the labor force and more than 20 percent of the unemployed. With the absence of a job-creating economy, these groups, many of which act with complete autonomy, could easily, as pointed out by ICG,<sup>71</sup> find it more profitable to continue to gain their livelihood through violence. As the report strictly put it, "the role played by such groups in racketeering, organized crime, revenge killings and generalized violence is considerable."<sup>72</sup>

**Table 4**  
Percentage change in Algerian households'  
spending on selected consumer goods  
between 1993 and 1997

Item	% Decrease
Beef	39
Chicken	39
Fish	34
Cheese	33
Yogurt	21
Dessert	37

Source: Le Soir d'Algerie, 7 February 2001.

## Ethnic Violence

Despite the fact that Algeria's political stability has been shaken mostly by its religious violence, the magnifying impact of ethnic (Kabyle) violence should not be underestimated. For one thing, this violence reinforces a climate of fear and thus contributes substantially to political instability. For another, ethnic violence can paralyze economic life and thus contribute to the ongoing conflict-poverty trap.

Although Algeria's ethnic violence has mainly manifested itself through mass street demonstrations, political protests, and economic strikes, there are reports pointing to the emergence of at least two main armed groups, the Organization des Jeunes Algériens Libres (OJAL) and Organization de Sauvegarde de la République Algérienne (OSRA).<sup>73</sup> Founded in 1993, these two groups are believed to have been responsible for both issuing and implementing death threats against Islamists and their civilian supporters. It, however, remains true that such influential Kabyle leaders as Hocine Ait Ahmed, who under the banner of his Communist party the Socialist Forces Front (FFS) led a civil war against the government in 1962, have since then committed themselves to non-armed demonstrations. In this case, the OJAL and OSRA do not represent the Berber population.

In any case, in order to understand Algeria's ethnic violence, it is important to answer the question of why Berbers should attach importance to their ethnic identities and why they should not be comfortable with "state-imposed" identities or the identities of the country's non-Berber majority. Indeed, the success of any policy package that would effectively put an end to such ethnic violence would ultimately depend on the answer.

### *Existing Explanations*

One of the most popular answers to this question is that people in general, and Berbers in particular, have been the way they are from time immemorial, as defined by their language, customs, race, and traditions. Berber consciousness, therefore, like any other ethnic consciousness, expresses deeply rooted human sentiments. In other words, ethnicity is primordial: people would favor members of their own group if they had to make a choice between "outsiders" and their fellow group members. Conflict is thus inevitable when a country like Algeria is inhabited by more than one ethnic group. This explanation, as pointed out by UNRISD,<sup>74</sup> identifies a major strand in human behavior, nepotism, that can be activated when groups are already conscious of their identity and feel a need to protect it.

This concept, however, which itself is deeply rooted in Huntington's<sup>75</sup> clash-of-civilization thesis, cannot satisfactorily explain Algeria's ethnic violence, nor can it account for the complexities of Berber consciousness. This is because it does not explain how such consciousness has been formed, how it changed over time, why it varied in intensity among Berber groups (i.e., the Chaouis, Mzabs, and Tuaregs), and why the Berbers built and defended relationships that cut across ethnic boundaries in the 1970s and even much of the 1960s to only reject them in the 1980s and 1990s. A complementary, perhaps alternative, explanation is definitely needed.

### *A Complementary Approach*

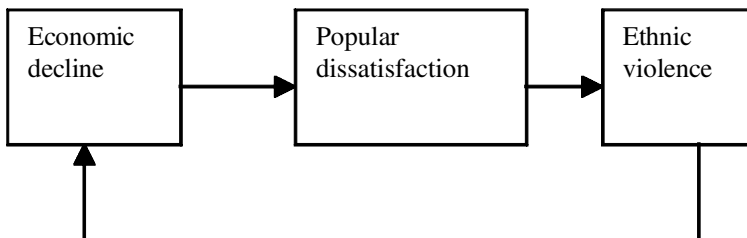
Although finding the answers to all of the ethnic questions discussed remains beyond the scope of this article, one piece of evidence that refutes the claim that Algeria's

ethnic violence is merely the product of cultural differences is that, unlike during the 1980s and 1990s, Berber riots in the 1960s and 1970s were practically unthinkable. In fact, the first major riots in post-independence Algeria occurred in 1980–81 when a large number of Berber students went to the streets of Kabylia, claiming that their culture was suppressed by the government's Arabization policies.<sup>76</sup> A violent celebration of such riots, which caused more economic damage than the riots of 1980, did not occur until 10 years later.

The fact that (1) these riots are not the product of 1993 when the OJAL and OSRA armed groups were formed; (2) it was more appealing to organize anniversary protests in 1990 as opposed to, say, 1985; and that (3) there were no riots in the 1960s and 1970s, tells an interesting story—these riots are more a function of economic decline and much less of cultural differences. This conclusion can be reached by simply looking at Figure 3, which shows clearly that the 1980 and 1990 riots coincided with Algeria's economic collapse. Evidently, there were no anniversary riots in 1985 because living standards were improving.

The conclusion that economic prosperity may have united Algerians in the 1960s and 1970s while economic collapse galvanized them into ethnic riots in the 1980s and 1990s is compatible with the prediction of what may be termed as social unrest theory. Thus, as Barro<sup>77</sup> pointed out, when the economy goes bad, the loss of income and economic welfare motivates the poor to engage in crime, riots, and other disruptive activities. The stability of political institutions becomes threatened by revolution, so that laws and other rules have shorter expected duration and greater uncertainty. In addition, the threats to property rights deter investment. Through these various dimensions of sociopolitical unrest, further economic decline reduces the productivity of an economy. Economic growth declines accordingly, thus leading to a vicious cycle of social and political unrest (see Figure 6).

During the 1980–81 ethnic riots period, this vicious cycle of social and political instability did not develop because, as can be seen from Figure 3, real GDP per capita growth picked up immediately in 1982 and remained both positive and significant for the period 1982–85. Although the average real GDP growth rate during this period was not as high as during the 1974–79 period (2.7 percent against 4 percent), it was nevertheless significant. But this is not the case in 1990 when real income growth declined by almost 4 percent. This decrease originated from the collapse in world oil prices in 1986 and the subsequent depressive years of 1987 and 1988. Although a positive and significant real GDP growth rate in 1989, which was the result of a temporary IMF package, raised hope for a better future, its ultimate collapse in 1990 meant that such hopes were to fade away.



**Figure 6.** A vicious cycle of economic decline and ethnic violence.

The riots of 1990 were actually an extension of the violent Black October riots of 1988. Although these were not particularly commanded by the Berbers, the latter's participation was nevertheless important.

The fact that the riots of 1988, unlike those in 1990, were not administered by the Berbers gives a clue to another story: that the choice of 1990 was not dictated by the economic situation alone. First, there is the 1989 political liberalization experiment which, although aimed primarily at manipulating the Islamists for Bendjedid's personal gains, lifted the lid on ethnic issues. Since several Berber political parties were created or revived in that year, it was only natural that they would encourage people to galvanize into action.<sup>78</sup>

Second, there is the collapse of Communism in 1989, which led to the creation of 15 new states in the former U.S.S.R., 2 in Czechoslovakia, and about 5 in former Yugoslavia. Given the Kabyle leaders' political orientation of being firm supporters of a Communist State, this collapse was important in shaping the Berber events of 1990 through the Communist fallout spill-over effects. Although such Berber leaders as Hocine Ait Ahmed of the Socialist Forces Front (FFS) and Said Saadi of the Rally for Culture and Democracy (RCD) do not publicly endorse similar claims of independence and separatism, political activists such as Salem Chaker are well known to have long done so.

On the whole, although the collapse of Communism and political liberalization in 1989 have sharpened the determination of the Berbers to seek cultural recognition (and perhaps separatism), the economic collapse of the 1980s and 1990s remains almost the sole initiator of Berber ethnic riots.

## Conclusions and Policy Implications

Although existing literature on Algeria's civil conflict recognizes the role of religious and ethnic violence in the crisis, it does not satisfactorily explain the main reasons behind it. The main aim of this article is to fill in this gap to some extent by examining the main factors determining the emergence of armed religious and ethnic groups. The basic conclusion that emerged from the analysis is that non-ethnic and nonreligious variables, namely economic collapse and diversionary politics should not be ignored when addressing the sources of such violence. In fact, the consequences of ignoring such factors have been in line with the predictions of the civil conflict theory: Since December 1991, the country has been seized by a wave of political violence, which achieved, between 1992 and 1998, the status of a virtual civil war. Official figures put the number of those who lost their lives during this period at some 100,000—or 1,200 a month.<sup>79</sup>

According to existing theories about the conflict, one of the main factors affecting religious and ethnic violence in Algeria is the closure of political space. This fueled national grievances and galvanized the Berberists and Islamists into action. It follows that the solution to the crisis would be to embark on *genuine* democratization. This will cause the initial high level of uncertainty and unrest to gradually diminish, as rebels and protesters give up their aspirations or find ways to obtain part of what they want within the new regime. New and more democratic institutions are allowed to take root and promote a more peaceful resolution of domestic conflict. As time passes, democratic values and institutions become more entrenched, and the likelihood of regime failure decreases. After a while, regime change per se has no destabilizing effect and is therefore no longer a factor in generating political violence.

For Algeria, democratization would then mean to fundamentally restructure and relegitimize the Algerian state while giving an opportunity to all political parties and ethnic

movements to participate meaningfully in political life and to make the government and institutions of the state accountable to elected politicians.

Although this is likely to reduce the level of violence to some extent by reducing the level of political grievances and slowing down the growth in atavistic sentiments, it is highly doubtful that this strategy alone will achieve and maintain long-term civil peace. Recent research uncovering the secrets of why democracies collapse has concluded that an effective economic-oriented government would be necessary if democracy, and thus political stability, is to endure. Given the catastrophic economic situation in today's Algeria, which is far worse than that prevailing in Europe and the United States during the Great Depression, it is unlikely that any democratic attempt would translate into a long-lasting civil peace. In fact, the same catastrophic economic situation that prevailed during the 1986–92 period was itself responsible to a large extent for the reversal in democratization experiment, thus galvanizing the Islamists and Berberists into action. Economic decline led Algerian politicians to rely on state terror, explicit repression, and diversionary politics to try to maintain their power and privilege. This collapse continued throughout the 1990s, making it easier for the gang leaders to find recruits because collapsing living standards implied a near-zero opportunity cost for the conflict.

For Algeria, therefore, to achieve a long-lasting peace, the solution would be to embark on a genuine democratization experiment coupled with a Marshall-type plan. In a potentially affluent Algeria, the electoral losers would have too much at stake to risk being defeated in a struggle over dictatorship.

## Notes

1. Armed religious groups include the Armed Islamic Group, the Salafist Group for Call and Combat, the Islamic Salvation Army, the Al-Rahman Battalion, the Islamic Front of the Armed Jihad, Katibat El Ahoual, the Islamic League for Call and Jihad, and the Ansar and Mawt Battalion groups. Armed ethnic groups include the Organisation des Jeunes Algeriens Libres and the Organization de Sauvegarde de la Republique Algerienne.

2. S. P. Huntington, (1996) *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster, New York; S. P. Huntington, "The Clash of Civilizations," *Foreign Affairs* (Summer), pp. 22–49.

3. M. Reynal-Querol, "Ethnicity, Political Systems and Civil War," forthcoming in the *Journal of Conflict Resolution* (February 2002); M. Reynal-Querol, M., "Religious and Ethnic Conflict," Political Systems and Growth, Ph.D. Thesis, London School of Economics (2001); M. Reynal-Querol, "Religious Conflict and Growth: Theory and Evidence," London School of Economics (2001), Mimeographed.

4. M. Reynal-Querol, and J. Garcia-Montalvo "The Effect of Ethnic and Religious Conflict on Growth," London School of Economics, (2001) mimeographed.

5. Reynal-Querol, "Ethnicity, Political Systems."

6. C. R. Hume, (2000) "Encouraging Algeria's Recovery," *North Africa Journal* (May 2000).

7. Algeria is composed of a wide range of ethnic groups, including Arabs, Kabyles, Chaouis, and Mzabs.

8. Huntington, *Clash of Civilizations*, pp. 22–49.

9. In a recent article on democratization in the Islamic World, M. L. Ross, "Does Resource Wealth Lead to Authoritarian Rule" (Washington, DC: World Bank, 2000), claims, indirectly, on the basis of a dummy variable method, to have provided proof for such a hypothesis. See also A. Kedourie, *Democracy and Arab Political Culture*, Washington Institute (1992), Memo, who promoted the concept of political culture to arrive at similar conclusions.

10. J. Entelis, "Intra-Civilizational Debate Within Islam: Secularism versus Islamism: The Case of Algeria," Conference on the Future of Islam-West Relations, 30 June 1998. Washington, DC: Centre for Strategic and International Studies (CSIS),

11. Ibid.

12. Reynal-Querol, "Ethnicity, Political Systems," pp. 22–49.

13. Garcia-Montalvo and Reynal-Querol, "Effect of Religious and Ethnic Conflict."

14. P. Collier, "Economic Causes of Civil Conflict and their Implications for Policy" (Washington, DC: World Bank, 2000).

15. P. Collier and A. Hoeffler, "Greed and Grievance in Civil War" (World Bank, 2000).

16. Reynal-Querol, "Ethnicity, Political Systems," pp. 22–49.

17. Garcia-Montalvo and Reynal-Querol, "Effect of Religious and Ethnic Conflict."

18. J. Esposito, *The Islamic Threat: Myth or Reality* (Aramco World, 1998).

19. Interesting enough, the application of an index of religious polarization that has been proposed by Reynal-Querol, in "Ethnicity, Political Systems," indicated that Algeria is a country with little religious fragmentation. The value of this index ranges between zero in completely harmonious societies and 1 in totally fragmented ones. Using official statistics from the Central Intelligence Agency, *World Fact Book* (Washington, DC: Author, 2000), the findings were such that the value of this index for Algeria was 0.0492, which, evidently, is negligibly different from zero.

20. A fanatic is defined here as an individual with a high degree of religious intake that is accompanied by a misunderstanding of the recommendations of the holy book. In Algeria, this misunderstanding is evident from the fact that a large number of young people fighting for the armed religious groups have little knowledge of the Quran. Several news reports have shown that a typical member of an armed group is in his twenties, single, unemployed, has little education, has a poor knowledge of French and Arabic, and is far from being versed in religious affairs.

21. As will be seen in the section Ethnic Violence, the emphasis on religious spending is crucial since the Algerian government has long monopolized religion and controlled the Islamists through the Ministry of Religious Affairs.

22. A. Przeworski, "Democracy as an Equilibrium," paper prepared for the workshop on "The Economics of Political Violence," directed by the World Bank Research Group (DECRG), Princeton University, Princeton, NJ, 18–19 March 2001.

23. Ibid.

24. To see this point more clearly, looking at the whole Przeworski model and its application to real data is necessary as space here does not permit the replication of the model and its empirical results.

25. S. B. Blomberg, G. D. Hess, and S. Thacker, "Is There Evidence of a Poverty-Conflict Trap?," paper prepared for the workshop on "The Economics of Political Violence," directed by the World Bank Research Group (DECRG), Princeton University, Princeton, NJ, 18–19 March 2000.

26. G. D. Hess and A. Orphanides, "War Politics: An Economic, Rational-Voter Framework," *American Economic Review* 85(4) (1995), pp. 828–846.

27. D. H. Clark, "Rethinking the Logical Conditions for Diversionary Behaviour," paper prepared for presentation at the annual meeting of the International Studies Association, Minneapolis, Minn., 18–21 March 1999.

28. In fact, this is a slight modification of the standard diversionary theory. This normally assumes that leaders with bad economic records would initiate an external conflict as opposed to a domestic one. It is this author's judgment, however, that initiating a domestic conflict is also possible.

29. S. B. Blomberg, G. D. Hess, and S. Thacker, "Is There Evidence of a Poverty-Conflict Trap?"

30. I. El-Badawi, "Civil Wars and Poverty: The Role of External Interventions, Political Rights and Economic Growth" (World Bank, 1999, Mimeographed).

31. S. B. Blomberg, G. D. Hess, and S. Thacker, "Is There Evidence of a Poverty-Conflict Trap?"

32. El Badawi, "Civil Wars and Poverty."
33. S. B. Blomberg, G. D. Hess, and S. Thacker, "Is There Evidence of a Poverty-Conflict Trap?"
34. P. Collier, "On the Economic Consequences of Civil War," *Oxford Economic Papers* 51 (1999), pp. 168–183.
35. J. Isham, D. Kaufman, and L. Pritchett, "Government and the Returns on Investment," Working Paper 1550, Policy Research Department (World Bank, Washington, D.C., 1996).
36. Collier, "Economic Consequences of Civil War."
37. For a detailed discussion of further effects, see M. G. Marshall, "Assessing the Societal and Systemic Impact of Warfare," in D. Malone and F. O. Hampson, eds., *From Reaction to Prevention: Opportunities for the UN System in the New Millennium* (Boulder: Lynne Rienner Publishers, 2001).
38. In ethnically diverse societies, severe economic dissatisfaction may even work as a unifying force as people share similar grievances. This explains why in Algeria, religious armed groups are comprised of all ethnic groups in the country. It also explains the change in the tactics used by the Berberist leaders, namely Hocine Ait Ahmed and Said Saadi, in an effort to topple the government. Although they had initially argued that the main problem was linguistic, they have recently advanced the idea that the problem was economic. This tactical change, a classic textbook attempt to overcome the collective action problem, was behind the spread of violent ethnic riots in recent years from the Berber dominated cities of Bejaia and Tizi Ouzou to other major cities such as Batna, Annaba, Oran, and Algiers.
39. See H. Hegre, T. Ellingsen, S. Gates, and N. P. Gleditsch, "Toward a Democratic Civil Peace?: Democracy, Political Change and Civil War, 1816–1992," *American Political Science Review* 95(1) (2001), pp. 33–48; H. Hegre et al., "Towards Democratic Civil Peace?: Opportunity, Grievance and Civil War 1816–1992," paper presented to the DECGR Launch Workshop "Civil Conflicts, Crime and Violence in Developing Countries" (World Bank, Washington, D.C., 22–23 February 1999).
40. T. R. Gurr, *Why Men Rebel* (Princeton, NJ: Princeton University Press, 1970).
41. T. Ellingsen, "Colorful Community or Ethnic Witches' Brew?: Multiethnicity and Domestic Conflict During and After the Cold War," *Journal of Conflict Resolution* 44(2) (2000), pp. 228–249.
42. Przeworski, "Democracy as an Equilibrium."
43. This may answer such frequently asked questions as to why, although democracy is expected to help solidify and strengthen overall political stability, this has not occurred in such countries as Indonesia. One reason stems from the hypothesis that semi-democracies—or states moving away from autocratic rule toward full-fledged democracies—are the most conflict prone (see H. Hegre, T. Ellingsen, S. Gates, and N. P. Gleditsch). The other, which is directly linked to Przeworski's work, lies in economic collapse following the 1997 Asian financial crisis. Yet, as mentioned in note 24, a look at the whole Przeworski model is necessary to get all the details on the special conditions under which democracy collapses or endures. For example, Przeworski shows that, (1) democracy can survive in poor societies only when no party enjoys overwhelming military power and patterns of redistribution reflect military strength, (2) there are situations in which election results are obeyed by both parties only when one of them wins an election but not when it loses, and (3) that in some poor societies, all redistributions of income cause one of the parties to rebel. A thorough examination of such conditions in Indonesia may then answer such popular questions as to why Soeharto did not try and rebel against the democratic process in the late 1990s.
44. U.S. Congress, *Algeria: A Country Study* (Washington, D.C., 1993).
45. P. Krugman, *The Age of Diminished Expectations* (Cambridge, MA: MIT Press, 1997); O. Blanchard, *Macroeconomics* (Prentice-Hall International, New York, 1997).
46. These erupted at the Ben Aknoun campus of the University of Algiers.
47. L. Addi, "Algeria's Tragic Contradictions," *Journal of Democracy* 7(3) (1996), pp. 94–107.

48. The Communist revolt of 1980–81 and the Islamists's protests of 1982 and 1986–88 are not the only protests that occurred during the Bendjedid presidency in the 1980s. Other protests, albeit on a smaller scale, which also influenced the pattern of religious spending, also occurred. For example, in response to pressures from the Islamists in 1984, the government built the Islamic University of Constantine, one of the largest in the Islamic World.

49. There is no data for 1991 when general elections were held, but it is suspected that religious spending was exceptionally low.

50. U.S. Congress, *Algeria*.

51. *Ibid.*

52. *Ibid.*

53. Ellingsen, "Colorful Community?"

54. *Ibid.*

55. R. J. Barro, "Democracy and Growth," NBER Working Paper 4909 (1994).

56. Przeworski, "Democracy as an Equilibrium."

57. Barro, "Democracy and Growth."

58. Przeworski, "Democracy as an Equilibrium."

59. *Ibid.*

60. See, for example, Kedourie, *Democracy and Arab Political Culture*; and Ross, "Resource Wealth."

61. This view is further supported by the fact that Mali (another Islamic country) is ranked by the authoritative Freedom House, *Freedom in the World: Annual Survey of Freedom Country Scores 1972–73 to 1999–00* (New York: Freedom House, 2000) as a full-fledged democracy.

62. See J. L. Esposito and O. Voll, *Islam and Democracy* (Oxford: Oxford University Press, 1997) for further hypotheses regarding Islam and democracy.

63. The fact that economic collapse has contributed significantly to Algeria's democratization experiment lends support to another hypothesis: that it is economic decline that may be conducive to democratization in developing countries, not faster economic growth. Barro, in "Democracy and Growth," among others, has argued that economic prosperity ensures democratic change, which, clearly, was not the case with Algeria during the fast-growth period of the 1970s. Thus, the hypothesis is advanced that developing countries, especially those relying on developmental dictatorship strategy, are more likely to experience democratic change when their economies experience depression than when these countries experience rising living standards. This does not contradict Pezrowski's findings that democracy is likely to survive in affluent societies but rather suggests that economic growth does not necessarily lead to political liberalization.

64. W. B. Quandt, *Between Ballots and Bullets: Algeria's Transition from Authoritarianism* (Washington, D.C.: Brookings Institution Press, 1998).

65. P. Collier and A. Hoeffler, "On Economic Causes of Civil War," *Oxford Economic Papers* 50 (1998), pp. 563–73.

66. See World Bank, *Algeria in Brief* (Washington, D.C.: World Bank, 2000).

67. This increase in unemployment rate is partly (but not solely) the result of the government's attempt to bring the inflation rate down to a manageable level to score a point with the IMF. This decrease was achieved partly by squeezing government spending, leading to rather low real GDP growth rates. Generally, the victory over inflation in the 1990s was achieved at the cost of higher poverty levels and lower living standards.

68. Another piece of evidence supporting this poverty-cycle hypothesis is that income inequality as measured by the GINI index has declined during the 1990s. Thus, the GINI index declined from about 40 in 1988 to 38 in 1990 to 35 in 1995 [World Bank, *Global Poverty Monitoring: Middle East and North Africa* (Washington, D.C., 2001)]. This is compatible with the view that inequality is lower at lower levels of economic development, which, in Algeria, confirms the news reports about the country's middle class being completely wiped out.

69. International Crisis Group (ICG), *The Algerian Crisis: Not Over Yet* (Algiers/Paris/London/Brussels: Author, 2000).

70. *Ibid.*

71. Ibid.

72. Ibid., p. 5.

73. There were also reports, in 1998, pointing out the creation of another organization, the Armed Berber Movement (MAB), which is said to have sworn to exterminate any individuals aligning themselves with the current regime or supporting the Arabization Law. Such reports are, however, less credible and both the government and Berberist leaders have been swift in falsifying them.

74. United Nations Research Institute for Social Development (UNRISD), *The Search For Identity: Ethnicity, Religion and Political Violence* (Geneva: Author, 1994).

75. Huntington, *Clash of Civilizations*.

76. According to the U.S. Congress, *Algeria*, these riots, known as the Berber Spring, led to several deaths and many arrests.

77. R. J. Barro, "Inequality, Growth, and Investment," NBER Working Paper 7038 (1999).

78. This, however, does not explain why the non-Kabyle ethnic minorities, namely the Chaouis, Mzabs, and Tuaregs, did not act in a similar fashion.

79. ICG, *The Algerian Crisis*.