

Economic Sovereignty and Ecology: Perspectives in Algeria

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Neoliberal economic thought domination and its applications in most economic systems beyond their divergent levels of growth, development, and well-being realized, like in the Algerian case from 1980 until 2019, characterize the major ongoing conflict for at least a century between economy and ecology. Cases of more than one researcher, beyond obstacles incurred for taking into account the results of their research, beyond warnings underlining the urgency of concrete political reactions commensurate with the challenges, show this. How, for a natural resources rich developing country like Algeria, can be drowned another economic policy focusing on economic sovereignty by innovation to escape in the same time the neoliberal dominant economic and financial system and enhancing the ecology targeting an acceptable shared well-being?

Keywords: Algeria, economy, innovation, ecology, sovereignty

Introduction

Neoliberal economic thought domination and its applications in most economic systems beyond their divergent levels of growth, development, and well-being realized, characterize the major ongoing conflict for at least a century between economy and ecology. Cases of more than one researcher, beyond obstacles incurred for taking into account the results of their research, beyond warnings underlining the urgency of concrete political reactions commensurate with the challenges, show this.

Applications of ecological measures by economic policies have been alienated by neoliberal domination to concretize objectives of maximum profitability of most important companies in terms of capital, production volume as well as by their ability to lobby regional groups such as G7, European Union, African Union, etc. These global companies and lobbies do everything continuously to influence in their favor decisions for sharing value between Capital and Labor and to adopt ecological production processes because they fear decline in their profitability. This shift takes on a structural character of permanence at economic and financial levels on the scale of national economic systems, beyond their particularities. This result in decisive economic-environmental questions was denied, hidden, rejected. For example, what justification would be objectively acceptable for immense profits reaped by each of the largest individual shareholders of global corporations, facing ecological destruction that the realization of these masses of profits often cause in poorest countries in ecological, economic, and institutional terms? What meaning is given to the existence of individuals who hold 5% and more of the wealth of a country that is among the richest ones in the world according to its GDP, while at the same time environmental destruction costs in these same countries condemn to disappearance of a greater proportion of

their natural capital, impacting irreversibly quality of life of millions of current and future humans in their own country of origin?

The first lessons, not the only one that the objective analyst draws from this is that the objective of achieving maximum private financial profits to be extracted from the economic sphere, which dominates all the other collective concerns of sustainable growth and ecological preservation, even how different major players announce to take into account and promote ecology in their economic activities.

Algerian case offers a field of study in this respect. The emergence since 1962 of an increasingly independent economic policy has been known in its evolutions at least three distinct periods leading to a recent awareness of shared needs and ecological necessities. From the first attempt to define an economic policy several decades ago to present from 2020, although very recent, enhancement of the objective of sovereignty can subsequently allow assertive ecological actions targeting economic actions with international extensions asserting itself.

The structure of this research is listed as follows. The first presents relationship of economy to ecology according to the level of development. The second presents the experience of sovereign economic policy from 1971 to 1979. The third attempts to clarify the neoliberal deviation of the economic policy pursued from 1980 to 2019 and its ecological impacts. The last presents the characteristics tending towards the implementation of a new economic policy from 2020, a prelude to a reconciliation between economy and ecology. In conclusion, this contribution tries to specify the policy and economic thought and place that ecology took in the State reflection at each of the three periods of institutional and economic evolution of the country. We can thus identify the main driving force(s) directing this thought of “politics” as the ultimate decision maker, on “economics” and consequently on “ecology”.

Ecology Driven by Market or by Public Economic Policy?

The ecological impacts on land, water, air, and quality of life are accentuated inexorably from accumulation of several direct and indirect factors whose temporal and geographical concentration intensifies as results often of accumulation of primary economic and social causes that generated them.

These damages observed for a long time in different countries and economic systems, are neither similar nor have the same nature and intensity, depending on whether it is a country with a productive economic system or a country like Algeria whose economic system is marginally productive in relation to level and diversity of its means and needs. Formal jobs ration to the number of workers is over a long period evolving in a range of at least 30% to 50%. The pressure of demand on labor market is strong in both formal and informal cases. The very recent measure instituting a regular monthly bonus for unemployed, beyond the fact that it seems unique among similar countries, will help to better identify on one hand the proportion of unemployed among the working population, while on the other contributing to fight economic informality by nature taking account of ecological concerns. Already at this level, objective observation identifies a first result: it cannot reasonably adopt an identical or unique corpus of ecological understanding, analysis, and recommendation according to the divergent cases in terms of production and environmental impacts, countries, and nationalities considered as undifferentiated. The appropriate individualization of ecological measures to integrate general policies, including the economic policy of the country in question, should be an unsurpassable standard.

Natural resources existing on the wide territory and their diversity in Algeria constitute a reality. Economic analysis focusing on territory, considered as a socio-economic space where shared relations are

permanently forged between the latter, its resources and population, allows researchers like Requier-Desjardins to note:

In the disciplines where the notion of territory is present without dispute, geography and ecology essentially, the territory refers to a definition of a set of relationships between a population and a space. This set of relationships is a “system” in which each of the two elements can only be apprehended by reference to the other.¹

He notes that “the concept of territory brings together the notions of living space, linked to practices, lived space, linked to the representations of these practices and social space, linked to the interweaving of places and social relationships.”²

He adds: “Economic theory approaches space above all as the bedrock of economic activities”. Thus,

the relationship between the activities of economic agents and space is unequivocal, space intervening only in the question of the location of activities, location, as an element of the behavior of economic agents, being moreover implicitly reversible in the form of relocation. Spatial economics will therefore approach the question of location essentially through the search for the definition of a “spatial equilibrium”, which can be considered as a specialized version of the general equilibrium.³

It is in this extension but in a differentiated way, that coastal territory having specific resources resulting from juxtaposition of terrestrial space with marine space can be the subject of an economic and environmental analysis.

Eco-environmental analysis aims to go beyond choices of location that strictly meet market economic criteria focusing on the maximization of net profit, to question the future of this territory once these choices are made and their environmental impacts are duly noted.

This analysis can be considered beyond the question of activities location in such or another a region. However, let us emphasize economic and social reasons that on one hand permanently attract location of populations and activities on the coastal territory and on the other, lead to the degradation of natural supports affecting negatively more ecological economic growth in the future.

Resources diversity beyond coasts and pressures it has been subjected to since 1980 to 2019, uses and conflicts they entail, inequality of socio-economic and ecological conditions between coasts and other regions allow the comparison and clarification of sustainable development alternatives. Above all, this opens ways towards estimating the reality of taking into account ecological imperatives since this draws from 2020 and asserts itself in the short term (2020-2023) another economic policy under impetus of a new political governance.

It can be noted that this new economic policy seems to take into account all of these issues including ecological ones in concrete terms through specific projects currently being implemented in a more sovereign framework through the first measures applied as recent closure of a basic food production company, symbolically which marks the post-2019 evolution of economic and ecological policy in progress. Can we allow ourselves to think that a new ecological economic philosophy is in place and consolidated?

To measure progress made, reminder of the economic characteristics and their environmental extensions since establishment of the first measures of economic policy aimed at the construction of the “system of the

¹ Requier-Desjardins D, 2009, Territoires-Identités-Patrimoine : une approche économique? Développement durable et territoires. Dossier no. 12. <https://journals.openedition.org/developpement-durable/7852>.

² Requier-Desjardins D, 2009, Op. cit.

³ Requier-Desjardins D, 2009, Op. cit.

economy” in Algeria is necessary. These first measures date since 1971 with nationalization of the exploitation and development of hydrocarbons raw resources.

Economic Evolution 1980-2019

This first period aimed to define ways out of economic backwardness and poverty through industrialization driven by available resources. The alarmist speeches circulating at independence led to mass departure of settlers, abandoning overnight the economic system they framed. The new national institutions had to rebuild everything in most complete disorganization and structural inadequacies. Human and economic costs of this period, which lasted from 1962 to 1971, have yet to be assessed. Around central idea, many works devoted to define an economic policy were elaborated thereafter (1971-1978). These ideas are focusing on industrial development through productive mobilization of existing resources under public authorities’ direction. It targets possibilities of deepening and widening it in order first to put an end to economic backwardness, then to increase range and pace of industrial, agricultural, and service production. This public economic policy has been based on full mobilization of national resources by strengthening territorial integration. How to mobilize resources? What are the most efficient ways to promote? What policies could be defined? What can be implemented according to existing national possibilities with their various components? These are main questions facing public authorities during the period from 1971 to 1978.

The attempts to define and execute an economic policy, the first in this respect since the end of first decade after independence, often extended into prospective analyses as to probable results to which this public economic policy could lead if necessary pre- and post-application conditions of sectorial policies were satisfied. It was a question for the political governance of this period from 1971 to 1978 to engage the community and its nascent institutions as well as all of its identified resources towards economic valorization by national effort of its available resources in newly era emancipated from colonialism.

Public Economic Policy as Driving Force in Algerian Post 2019 Example

Analysis of this concrete example of economic policy during 1979-2019 can make it possible to underline its ecological limits. The multiple relationships shared by any economic system focus on mobilizing available resources for increasing production and building an increasingly sovereign economy that can exchange its productions locally and internationally in return for market products that it does not produce enough, constitutes the primary logic of the first economic phase 1971-1978 in Algeria.

Achieving a minimum level of “development” is imperative that could satisfy the growing needs for improving standard of living took precedence over the national objective of industrialization defined before.

Priority given to industrialization, accompanied by the other given to the creation of industrial jobs and services without much respect for the necessary criteria, with the hydrocarbons sector as a provider of financing, was replaced by a set of policies going beyond this objective. It establishes a new one promoting economic openness both towards national private sector and international markets as well with renewed justification of the inevitability of insertion in financial and economic currents of globalization.

The results are so contrary to those hoped for, which led to severing links between society and political governance that was supposed to represent it. A period of misguided development ends in 2019. Another outcome of the socio-political rupture appeared in 2019. It is characterized by the emergence of another institutional governance beginning in 2020.

Conclusion

First, the justification for taking an interest in innovation can be questioned in order to clarify vision of relationships between “economy” and “ecology” in a concrete economic experience. These relationships have evolved since the beginning of the construction of the economic system, the main periods or phases through which this system under construction has evolved and repercussions or ecological impacts it has generated and still generates.

Second, this national economic experience, at a time when it is refocusing on the objective of self-centered industrial development mobilizing its existing human and natural resources, is facing a double dilemma:

Intensifying industrialization in its traditional ways increases environmental damage and relegates the ecological imperative to the margins, or continues along neoliberalism path for an economic system with practically no industrial production to present in return for its insertion in the markets dominating the world economy.

In this case, economy will condemn itself to being only a consumer market for the large neoliberal foreign companies dominating international markets. The majority of its population will vegetate in poverty coupled with endemic idleness whose only outlet is international migration in its various forms, including the most deadly ones.

How to get out of it while reconciling economic and social development with ecological imperative?

With initial diverse nature responses, yet its complementarity seems to have been affirmed in the process of sustained application since this new era is characterized by the affirmation of the sovereignty of economic choices.

These answers are based on:

- Territorial inclusion
- Innovation

The objective of territorial economic inclusion aims integration of regions in sectorial and national economic policies mobilizing resources for production and creating new markets in various regions, innovation. Mobilizing hundreds of thousands of university students in progress and at the end of their training is the other main objective to reach for innovation. First results of one and the other of these policies are beginning to be verified in practice. Thus, nearly seven thousand (7,000) industrial innovations having the university as origin are duly registered and certified in 2023. This could give rise in the short term to as many small and medium-sized enterprises to start-ups whose material production and service processes will adopt environmental innovators. Precedent periods of evolution of the “system of the economy” have shown that development cannot be achieved in a socially satisfactory manner for such a country whose population is constantly growing, unless economic policy is not subject to the neoliberal desires of financial and neoliberal market actors dominating world’s economy, but is ultimately a matter of sovereign choice with the majority of population approval. In a word, the priority must return first to increasing national interest before the objectives of maximizing private profits, all the more so when it comes to foreign actors. This general philosophical framework is the one that can make it possible to reconcile economic development with respect for ecological imperatives. National ongoing experience appears a practical way to achieve its double economic objective as the ecological one seems to take shape from on one hand the increase in the degree of sovereignty in the economic choices since 2020 and on the other the obligation to stimulate innovation to mobilize hundreds of thousands of university students in training in dozens of the universities of the country.

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