

THE BUREAUCRATIC EMPRISE ON THE *COMITÉS*

IN the previous chapter I outlined the public and political conflict over the form and content of the Algerian revolution, describing it as a class struggle ending in victory for the bureaucratic *élite*. Apart from the personal aspects of this conflict, it centred on the question of the control of the means of production, of the party and of the state. With the seizure of the means of production by the workers, the creation of *comités de gestion* and their formal institutionalization in the *décrets de mars*, the revolution committed itself to the management of the means of production by the workers. Despite the formal acceptance of the *Charte d'Alger*, this principle was never extended to the administrative superstructures of the economy, to the party or the state. There was thus an innate contradiction between a system of production formally controlled by the workers and an administration that totally escaped their control: an administration which, as we have seen, was largely composed of officials who had served under colonialism and by arrivist and opportunist elements who had used independence to achieve rapid upward mobility. Nor was this bureaucracy effectively counterbalanced by an *avant-garde* party. The FLN and the state administration rapidly became homogeneous in both content and ideology.

The elaboration of the administrative superstructures of *autogestion* played directly into the hands of this bureaucracy. The architects of the *décrets de mars* felt that if *autogestion* were to be successful economically it needed to be organized and unified at a level higher than the individual enterprise. They also feared that the *comités* were not strong enough, politically or economically, to combat either the development of an indigenous entrepreneurial bourgeoisie or the possible return of the settler bourgeoisie. To solve these problems they aimed to strengthen the *comités* by placing them under the protective guidance of the state. Objectively, this coincided with the

The Bureaucratic Emprise on the *Comités*

desire of the more orthodox socialists, like Boumaza, for greater central control to combat the alleged *ouvrierist* tendencies of the *comités*. Neither of these groups can be accused of actively wishing to suppress *autogestion*. The Harbi group accepted it implicitly but wished it to develop under the guidance of a revolutionary *avant-garde*; while Boumaza wished to place it under the temporary control of the state until full socialization had been achieved.

The immediate effect of both of these theories was to contain *autogestion* in the sphere of production. In the absence of any radical reconstitution of the party or state this containment placed the *comités* firmly under the control of the existing bureaucracy. The ensuing unequal struggle between the *comités* and the bureaucracy ended in victory for the new middle class. We have seen how this struggle developed in terms of the public clashes on the political stage. It is now time to look at some of the ways in which, almost from the very beginning, the administration was able to contain, control and subordinate the *comités*.

ELECTORAL MANIPULATION

One of the clearest ways in which self-managed concerns lost their independence was by widespread manipulation in the formation of *comités de gestion* and the election of their members. This was directed to ensuring the existence of *comités* that owed their primary loyalty to the administration rather than to the workers.

In the original occupations of the summer and autumn of 1962 the *comités de gestion* were formed by mutual consent rather than through the process of a formal election. The workers continued to operate their concerns much as they had been under colonialism. The *comités* were not well-defined bodies with specific structures and responsibility. They were *ad hoc* gatherings of the most skilled or experienced workers. Often they included all the workers who wished to participate in the discussions. While many of them were extremely democratic, inevitably some were controlled by an oligarchy of senior workers, representing the hierarchy of authority that had existed under private ownership.

Faced with the existence of *comités* in a large number of agricultural and industrial concerns, and having no immediate alternative means of management, Ben Bella's government introduced

legislation to place a *comité* in every abandoned European concern (the decrees of 22 October dealing with agriculture, and 23 November, dealing with industry and mining). Even before this the government had tacitly recognized their existence. On 10 October the Ministry of the Interior had sent telegrams to all prefects, asking them to ensure priority for ex-combatants in any elections to the *comités*. This was the first step in the long series of administrative interventions in the operation of the *comités*. The government acted on the reasoning that the ex-combatants were not only more seasoned militants but also deserved some reward for their sacrifices. As we have already seen, in Chapter 3, this gave rise to an intense hostility between the permanent workers and the ex-combatants.

It is clear that the intermediate elections in October and November 1962 were extensively interfered in by the administration. Daniel Guérin gives evidence of an agricultural estate – Domaine Sainte Louise – at Aneur-el-Ain where the election was manipulated by the army and the local prefect.¹ Estier emphasizes that the *comités de gestion* set up after October were not elected but appointed by the local administration.² Temmar goes even further and states that those enterprises which did not have *comités* by October were managed by the *sous-préfectures* until May 1963.³

Thus, at the point when the *décrets de mars* were introduced, the *comités* had already experienced administrative interference. The government was aware of this and began a campaign for new and proper elections in May 1963. In a speech inaugurating the 'National Campaign for the Democratic Reorganization of Self-Management Bodies' Ben Bella acknowledged this problem and promised reforms.

Today, with the campaign we are launching for the reorganization of self-management bodies, we offer yet another proof of our determination not to let the *décrets de mars* 1963 become dead letters or self-management a ritual, empty of all democratic and effective content. Up to now, some *comités de gestion* have, by force of circumstances, been nominated from above. There have often been bogus *comités* that the workers do not accept but reject. We are determined to remedy that.

He went on to urge workers to 'elect those brothers and sisters that have your confidence, whom you consider the most fitted, the most energetic, so as to get the farms and factories running at their best'.⁴

Even after this campaign the number of democratically elected *comités* in agriculture remained low. Many of the new *comités* were,

in fact, appointed by local officials of the newly created ONRA.⁵ Out of forty-one estates in the Dar el Beida district only six had elected *comités*; while in the Mitidja only forty out of 250 estates had real elections.⁶ One observer was driven to remark: 'The conditions of the election allow us to state that in reality at most 10 to 15 per cent of the *comités de gestion* have been elected in a democratic manner by the *assemblée générale*.'⁷

In the rural areas the local branch of the FLN, the *sous-préfet* and ONRA officials very often worked together to secure the formation of a *comité* that would accept their control. They were able to do this for several reasons. The high level of illiteracy cut the vast majority of agricultural workers off from the campaigns to explain the *décrets de mars*. Not only was their level of consciousness generally lower than that of the workers in the towns but they had not yet been organized into a union by the UGTA. Owing to the physical distances involved, UGTA and FLN militants who were trying to ensure democratic elections were unable to reach all the farms. In the absence of any alternative the workers succumbed to the traditional local authorities. In the towns a much larger percentage of the *comités* were correctly elected. The greater political awareness of the workers and the presence of the UGTA kept administrative interference to a minimum. But even here there were a large number of cases of manipulation. Two cases, of which I have personal knowledge, will suffice as examples.

In December 1964, four abandoned road haulage firms were amalgamated into one concern, *Transports Sidi M'Hamed*, based in Algiers with some 100 employees and fifty vehicles. The *comité de gestion* was appointed by the *Office National des Transports* (ONT). In August 1967 when all the self-managed firms were incorporated into a *société nationale* (the SNTR) this body of five men was still the *comité de gestion* and continued to be the *comité d'entreprise* under the SNTR. The case of the *Coopérative Frantz Fanon* is even more revealing of the methods employed by the administration. The cooperative, which included several painting, decorating and printing concerns run by a central *comité*, ran into financial difficulties in 1965. On investigation this proved to be mainly due to a debt of 600,000 DA owed it by various government departments. However, the situation was used by the Ministries of Finance and Industry to put in their own financial and technical 'experts'. The old *comité* was

Workers' Self-Management in Algeria

charged with being incapable of fulfilling its responsibilities and a new election was ordered. In this, only one list of candidates, drawn up by the administration, was put before the workers.

The *décrets de mars* stipulated that one-third of the *conseil des travailleurs* and the *comité* should be re-elected every year. Technically the responsibility for holding elections lies with the *préfectures*, but they have not acted. Since the original campaign for elections in May 1963 very few elections for the renewal of *comités* have ever been held. Thus the majority of concerns have the same *comité* as they had when they were placed under *autogestion*.

One example of this in industry is COBISCAL, a cooperative of twelve production units producing biscuits, cakes, etc. in the Algiers region. It contains eight separate *comités de gestion* whose presidents, the state-appointed director and his assistant, form a central *comité d'administration*. The particular *comité de gestion* in question groups three production units with 160 workers. The main unit was sabotaged and then abandoned by its European owners. In 1963 it was re-opened by five men who had repaired the machines with a small government grant. These five became the *comité de gestion*. With the exception of one who had resigned, the same men were still in office in the summer of 1967. There had never been any elections nor had a *conseil des travailleurs* been formed, as stipulated by the *décrets de mars*. Despite the undoubted economic success of the *comité* (between July 1966 and 1967 they raised production by eighty per cent) their continued occupation of the functions of management represented a common problem for *autogestion*.

The *décrets de mars* stipulated partial annual elections with the intention of avoiding the development of a self-perpetuating bureaucracy within *autogestion*. (The implications of the development of this 'factory bureaucracy' are discussed in the next chapter.) It was also felt to be important that as many workers as possible should have experience of management problems so as to raise their consciousness and technical skills. In the case of COBISCAL the workers felt that they could not elect a better *comité*. But there are a large number of self-managed concerns where the workers actively desire the renewal of *conseils* and *comités*, especially where these were not elected in the beginning. The fact that *comité* elections have not been held on a national level since May 1963 allowed the administration to strengthen their hold over many *comités*. It has also

The Bureaucratic Emprise on the Comités

meant that many workers have become disillusioned with the whole concept of *autogestion*. The UGTA, while calling for new elections, could not be sure whether the growing strength of the administration might not make it even easier for it to manipulate elections.

There are even more glaring examples of the abuse of the spirit of the *décrets de mars*. In some cases the local administration was strong enough to render the *comité* completely superfluous to the management of the enterprise. The *Entreprise de Filature et Tissage de Tlemcen* was nationalized in 1963. Its previous owner, an Algerian, was then appointed as state director. Although formally under *autogestion*, the firm continued to be managed in exactly the same fashion as previously. The *comité* was powerless to effect any real changes in the organization of the firm or even to fulfil its legal role.*

The appointment of the original owner as director is unusual; but it does show the extent to which the socialist ideology contained in the *décrets de mars* was being deformed even as early as 1963. A more common abuse was that concerning the decree on *biens-vacants*, which states that they should be managed by a *comité de gestion*. However, as the administrative opposition to *autogestion* increased the formation of *comités de gestion* became a rare occurrence. The more usual course of action was to place the firm under state control and manage it in the same way as before. An example of this is the firm *Éts Veuve Cote*, one of Algeria's largest paint and household chemical manufacturers with wholesale and retail outlets in the Algiers region. The workers, prompted by the UGTA, carried out a series of strikes aimed at forcing the European owner to leave. When the owner finally left in 1966, the workers were promised that the firm would re-open under *autogestion* and they elected a *comité de gestion*. Instead, the ministry appointed a *commissaire* to run the firm and demoted the *comité de gestion* to a *comité d'entreprise* with purely consultative powers. The *commissaire* continued to run the firm as it had been under the ex-owner and refused to deal with the *comité* or even to allow a trade-union committee (*section syndicale*) to be formed.

Since the Boumédienne *coup*, an infinitesimal number of concerns have been placed under *autogestion*. Those that have are small and under-capitalized and hence of no great economic importance.

* In 1967 this firm was amalgamated with other textile firms into the *société nationale* SONACO.

Placing them under *autogestion* enables the government to abnegate any responsibility for making them profitable. As I described in the previous chapter, the policy since 1966 has been to create *sociétés nationales*, incorporating newly nationalized concerns, those originally under *autogestion*, and new factories built by the state. I have already outlined the general extent of workers' representation in the *sociétés nationales*, but there are great variations in this scheme. Almost invariably these variations represent the strength and determination of the workers and unions to oppose the bureaucratic encroachment on their liberties. They represent a defensive rear-guard struggle to prevent all the achievements of 1962 being swept away.

In most of the *sociétés nationales* formed to manage newly created industries like textiles (SONITEX) there is no workers' representation in the organs of management. There is only a rather weak *section syndicale* or union shop-floor committee. In these new industries there were no extant organs of participation or self-management which could form the nucleus of any organized representation. The creation of even a *section syndicale* in many of the new industries is extremely difficult. The factories are often built in rural areas, employing landless ex-peasants for whom this is often the first experience of industrial employment and where there are few traditions of this basic type of class organization. The existence of a vast mass of unemployed in the surrounding areas also effectively reduces the likelihood of any real militant action by those who have employment.

The *Société Nationale des Tabacs et Allumettes* (SNTA) was created in 1964 to manage tobacco and match production which had just been nationalized by Ben Bella. Because the sector was felt to be of national importance it was not placed under self-management, an example of the early deviation from the spirit of the *décrets de mars*. There are no organs of direct workers' participation in management. Instead, the workers are represented by elected union delegates on the *conseil d'administration*, the central management body for the various factories that make up the SNTA. In each separate factory the union delegates meet the director every week for formal discussions. The delegates who are elected, under UGTA supervision, by the workers each year, have the right to be informed on all aspects of managerial decisions: profits, sales, investments,

redundancies, etc. The union was already in a relatively strong position before nationalization and was able to maintain this. The UGTA, after 1965, felt that the direct connection of the delegates with the union meant that they were less likely to be intimidated than purely worker representatives.

The *sociétés nationales* created out of the amalgamation of enterprises under *autogestion* generally contain a *comité d'entreprise* in each unit and a *conseil des travailleurs* at the centre. The *conseil* plays the mainly consultative role accorded it under the French law of 22 February 1945. Here, as for example in building (SONATIBA) or road transport (SNTR), it was impossible for the administration to reduce participation below this level. The workers had experienced up to five years of self-management and opposition to any reduction in their powers was very strong. Where the administration attempted to disband the *comité de gestion* completely without allowing any measure of participation they met with serious opposition. At the *Verreries de l'Afrique du Nord* (VAN) the government attempted to do this and the management was faced with a long series of strikes. Eventually they had to capitulate and agree to the formation of a *comité d'entreprise*. In these cases, although the workers and the union had no hope of preventing the disbandment of self-management, they were strong enough to maintain some degree of participation in management decisions.

The highest degree of participation in any *société nationale* is in the SNCFA (*Société Nationale des Chemins de Fer Algériens*). Before independence, the railway workers, organized by the CGT, had been one of the best organized and most militant sectors; this tradition was continued by the *Fédération des Cheminots* of the UGTA. The scheme of participation in operation in the SNCFA is called *co-gestion* (co-management) by union officials. The SNCFA is divided up into three services corresponding to its technical and financial organization: permanent way and buildings, rolling stock and locomotives, and the actual operation of the system. At the local level, each service has a *comité local*, made up of three workers' representatives, three administration representatives and a chairman who is the local manager of the service. At the regional level there is a *comité régional* for each service with six representatives from each side and the regional manager as chairman. The workers' representatives for both these committees are elected at the same time by a

secret ballot organized by the union. At the centre there is a *comité central* for each service with twelve representatives from either side and a chairman. The workers' representatives on the central committee are elected at the union's regional congresses but are not full-time union officials. This high degree of participation is due both to the strong traditions of organization in the industry, maintained by the *Fédération des Cheminots* after independence, and to the fact that it was set up in 1963 in the period of official enthusiasm for *autogestion* and participation.

During the rapid demise of *autogestion* after 1965 the ability of the workers to wrest some degree of managerial control from the state depended largely on the strength of their organization. In almost every case this came to mean the strength of union organization. In the *sociétés nationales* and firms run directly by the state the union began to assume the functions of representing the workers as the conflict began to develop into a straight clash between two classes. This process is illustrated by the case of the *Société Algérienne des Boissons* in Algiers, in 1967 the only large state-owned manufacturer of soft drinks and beer. In 1966 the French owner of the firm left the country, owing 2.5 million DA in unpaid taxes. This device has been employed by many of the European capitalists to realize as much profit as possible before leaving. Often in such cases the government, since 1965, has sold the enterprise in order to recoup the taxes. Here the workers, who were well organized, demanded nationalization. The state acceded to this and appointed a state director who refused to consider any form of workers' participation. Faced by this, the workers operated a go-slow and demanded a new director. Specifically they asked for a man who had been a UGTA official until he was implicated in the 1963 FFS rising. In face of a reduction in production from 60,000 to 5,000 bottles a day the state gave in to this demand.

As the state refused to allow the firm to become self-managed, the new director, with the full support of the UGTA, turned the *section syndicale* into a form of *comité de gestion*. The *section syndicale*, consisting of five members, is elected by all the workers. It meets every week with the director to discuss and decide on all management questions. This form of management by the union is unusual but, like the formation of *sections syndicales* in other state-controlled firms, it represents a tactical improvisation by the UGTA. Unlike other

forms of representation it is under direct union supervision and cannot be manipulated by the administration so easily. Forced by the increasingly overt class character of the administration and its evident desire to put an end to *autogestion*, the UGTA was seeking to replace the isolated *comités* of separate concerns by bodies which received their coherence through being organized in class terms.

Firms under *autogestion* have not only been integrated into *sociétés nationales* or placed under direct state control; there are numerous cases of denationalization or the complete disbandment of the machinery of self-management. In some cases denationalization was a result of the widespread corruption prevalent in the administration; in others it stemmed from a desire to subordinate the political connotations of *autogestion* to the demands of a technocratic economic rationality.

A well-documented case of attempted denationalization due to corruption is that of the *Entreprise Ben Badis* at Rouiba, a firm making agricultural machinery.⁸ A *bien-vacant*, the firm re-opened under *autogestion* in August 1964; but it was in competition with the private, French-owned firm SACRA. In March 1966, the director of Ben Badis asked that his firm be merged with SACRA as a mixed, state-private concern, because he could not compete with it. In November 1966, a government enquiry found that the managing director and sales director of SACRA had bribed Ministry of Agriculture officials and the director of Ben Badis in an attempt to get hold of the firm. (The extent of corrupt practices in the administration is described more fully in the next chapter.) The paper of the PRS - *Sous le Drapeau du Socialisme* - gives another instance.⁹ Ministers Medeghri, Abdesselam and Bouteflika tried to give some farms under *autogestion* in the Oranais to some middle-class friends early in 1966. The public outcry raised by the UGTA forced Boumédienné to intervene and return the farms.

Denationalization immediately after the 1965 *coup* affected some quite large concerns such as the *Coopérative Ouvrière Aissat Idir*, which was centred round Blida. In Blida itself the cooperative contained a butcher, a fruit market, furniture shop, ironmonger, stationer, chemist, a garage, a hotel, a soft-drinks factory, a brick works and several small farms. At Boufarik, twenty kilometres away, there was a building concern and a paint workshop; fishermen at Bou Harroun, Chifalo and Castiglione were also members of the

cooperative. In all, the cooperative involved some 1,500 workers. There were four *comités de gestion*, one for each sector – agricultural, food, mechanical and building – headed by a *conseil d'administration*, elected by the *comités*. In strict economic terms the cooperative was unwieldy, embracing so many activities. As a political experiment in social and economic integration it was one of the most successful examples of *autogestion*. On state orders, many of the small concerns were sold or returned to their original owners; the rest were integrated into the various state sectors for agriculture, industry, building and fisheries. The breaking up of the cooperative, which had been founded on the initiative of the UGTA, gave clear evidence of the administration's fear of the implications of the successful local organization of production and distribution by workers acting entirely outside the state. As a political and social experiment it threatened not only the power of the administration but, implicitly, its whole *raison d'être*.

Another organization that was disbanded and suffered from denationalization or integration into the state sector was the *Comité de Gestion des Hôtels et Restaurants* (COGEHORE). COGEHORE was composed of some fifty-five hotels, restaurants and cafés, with a central food and equipment store, distribution organization and administrative offices employing, in all, 800 workers. There was a central *comité de gestion*, elected by a *conseil des travailleurs*, composed of one representative from each establishment. In 1964 Kaid Ahmed, then Minister of Tourism and one of Boumédiène's close supporters, had tried to suppress COGEHORE but had been prevented by Ben Bella and forced to resign. In 1966 it was finally disbanded, the smaller concerns sold and the larger, like the Hotel Albert Premier, put under the direct control of the Ministry of Tourism. The internal organization of COGEHORE was not specifically democratic and did not accord with the *décrets de mars*. But this deviation was not a motive for its disbandment. As in the case of the *Coopérative Aissat Idir*, a strictly economic argument was applied and relatively unimportant units returned to the private sector. But again, objectively, the existence of an integrative organization of even a minor sector by workers' representatives undermined the role of the administration.

In agriculture, apart from a few scandals like the one mentioned above, there have been relatively few denationalizations as such;

while the successful manipulation of *comité* elections and strict financial control by the administration has avoided the need for any overt state control. However, in an undisclosed number of cases estates under *autogestion* have been broken up and distributed to ex-combatants, particularly after 1965. An example of this is the *Domaine Zair Houari* at El Ançor, which was placed under *autogestion* after the nationalization of the remaining European lands in October 1963. In the autumn of 1966 it was taken over by the army and turned into a *Coopérative Agricole d'Anciens Moudjahidins* (ex-combatants). The *comité de gestion* was dissolved and most of the permanent workers forced to leave. The estate was then split up into smaller units, each of which was given to an ex-combatant. The way in which the army took over farms at independence has already been described in Chapter 3. Since the Boumédiène *coup* the army has had a relatively free hand in this type of operation. The underlying rationale is that the *anciens moudjahidins*, who fought for independence at the cost of losing their land in the traditional sector, should be rewarded for their services. Economically, the dismemberment of large integrated estates into small units has meant a loss in productivity. Politically, it has involved the strategic placing of groups whose first loyalty is to the army.

Aside from imposing its control first by electoral manipulation and then by the outright dissolution of *comités de gestion*, the administration was able to circumscribe the operation of self-management by the use of economic mechanisms. The main charge levelled against *autogestion* was its apparent economic failure. As this was used as the rationale for imposing state control or reducing the powers of the *comités* it is necessary to look at the realities of the situation. This is not to share the economic ideology of the new bureaucratic *élite* but to examine how far the *comités* can be held responsible for any economic failure, and how far it was, in fact, the responsibility of the administration itself.

We have already seen how the colonial economy was characterized by increasing stagnation in terms of output, under-capitalization, a sectorial imbalance away from industry and an almost total reliance on the metropolis. Independence, on its own, did not change any of these basic characteristics. The socialized sector of the economy was faced not only with these problems but also with competition from an internal private sector, financed from abroad and with competi-

tion on a world market dominated by international capitalism. This sector, which in the beginning was represented by the *biens-vacants*, was extremely ill-fitted to meet such competition. The almost total absence of liquid capital made it difficult to exploit the capital represented by plant, buildings and labour force. The enterprises under *autogestion* were also faced with a widespread disruption of the normal commercial circuits and a desperate lack of trained technical personnel.

The administrative and economic superstructures created in an *ad hoc* fashion out of the ruins of the colonial mechanisms were aimed at offsetting some of these problems by providing capital, financial and technical expertise, and by organizing the supply of raw materials and the sales of finished products.* In terms of the stated ideal to create a planned socialist economy it was also felt important to integrate the individual *comités* into a coherent national economic structure. In their ideal form the superstructures were supposed to prevent any tendency to *ouvrierism*. Harbi referred to this when he wrote: 'In the beginning and in the spirit of the decrees [the *décrets de mars*] this element of state property was destined to avoid the appearance of economic units turned in on themselves and acting independently of the general economic context. In sum, it was necessary to close the way to all group egoism.'¹⁰ In this schema the *avant-garde* elements in the administration would benevolently guide the *comités* into the right economic and ideological paths, only actively interfering if state laws were broken.

The reality was very different. At first the economic supervisory organs were merely incompetent. But as time went on they arrogated so great a degree of control as to make the economic independence of the *comités* derisory. The exact nature of the administration's role and its relationship to the *comités* was never clearly defined. As a result the bureaucracy was able to extend its control unchecked by any legal considerations. Economically, their stranglehold over *autogestion* appeared in three main sectors: finance, marketing and provision of raw materials.

I have already described how, in agriculture, the accounts of the *comités* were first of all held by the *Sociétés Agricoles de Prévoyance* (SAP), then by the *Centres Coopératifs de la Réforme Agraire* (CCRA) and since the dissolution of ONRA by the *Caisses Régionales*

* See the description of these superstructures in Chapter 4.

de Crédit (CRC). In industry, funds were first held by the local prefect, then by the *Banque Centrale* (BCA) and then by the *Banque Nationale* (BNA). Practically, this has meant that the administration not only holds all the funds, but keeps the accounts and itself pays for all financial transactions of the *comités*, including, at times, wages. The *comités* are allowed a small amount of petty cash for day-to-day needs only.

The administration often justified such a total control of finance by pointing out the absence of trained book-keepers in the *comités*. However, this control led to the *comités* having no real idea of their financial position and even to the loss of the idea of value – so essential in what is still a market economy. Under ONRA it was even known for the CCRA to refuse requests by *comités* to see their accounts.¹¹ As one commentator stated: 'The workers will never have effective control without any objective, detailed, complete and almost day-to-day knowledge of the accounts of the enterprise.'¹²

In financial terms, this strict control by the administration means that the economic future of the enterprise is no longer in the hands of the workers. This is especially true in the field of credits or loans to individual enterprises. Most of the *comités* in the re-opened *biens-vacants* were faced with two immediate problems: sabotaged machinery and lack of liquid capital. There was a great need for credit, not just to finance long-term programmes but merely to make immediate production possible. The *comités* were allowed to borrow from state or private sources, but the continued refusal of the state to agree to loans forced many *comités* to borrow from private sources at high rates of interest. In 1965, only ten out of 400 *comités* applying were given loans from the BCA or CAD.

The effect this can have is illustrated by the case of a small furniture factory (ex-Caramelino). The European owner left Algeria in January 1965, leaving 150,000 DA in unpaid taxes and having illegally transferred all the liquid assets to France. In February 1965 a *comité de gestion* was formed under the guidance of the UGTA. They asked for a loan from the BCA but were informed that they must present accounts showing a profit or near profit for three years of operation. The lack of liquid capital meant that they were often unable to purchase raw materials, and more importantly, could not give credit to customers who naturally turned to the private sector. In addition, although their speciality is bunk beds for institutions, the state has

given its contracts to private firms. They were also refused permission to join the *Union Départementale des Industries du Bois* (UDIBA), the 'horizontal union' for their sector (see Chapter 4) which would have provided an integrated purchasing and marketing organization. The reason for this was that, after 1966, only profitable firms were incorporated into UDIBA. By July 1967 their debt to the state had risen to 300,000 DA as they could not afford to pay taxes.

This case exposes the situation of many of the smaller firms under *autogestion*. The *comité* was caught in a total impasse: unable to make a profit without a loan and unable to get a loan without a profit. By applying abstract financial criteria the administration effectively blocked the development of whole areas of the socialist sector. The short-sightedness of this economic rationale is shown by the fact that the enterprise is still a cost to the state in respect of the unpaid taxes.⁴

Besides this crippling financial control, many self-managed firms in industry suffered from a lack of state aid in competing with the more highly capitalized private sector. A clear example of this was the *Huileries Modernes d'Alger* (ex-Tamzali) which produced olive oil. This self-managed firm was in competition with a French-owned firm, Lesieur, which also had a near monopoly in imported soap. Lesieur managed to get wholesalers to stock their olive oil rather than HMA's by offering cheap soap as well. HMA asked the Ministry of Industry for permission to produce soap in order to meet this competition. But in March 1966, after two years, the Ministry allowed Lesieur to produce, as well as import, soap and become the official government supplier. In 1967 the *comité de gestion* at HMA was dissolved and the firm put under central control as a *société nationale*.

The experience of HMA was repeated with ALUMAF, the only firm in the socialist sector producing aluminium goods. It produces aluminium disks and household articles using imported Russian aluminium. ALUMAF was in competition, in terms of finished goods, with a private firm, ALLAL, which used to buy the blanks produced by ALUMAF. In 1966, ALLAL started to buy blanks from Canada, even though the price difference was marginal. The government, despite repeated requests, refused to make use of its

* The fact that ex-Caramelino held annual elections for its *comité* and *conseil* added a political tone to its victimization.

import controls to force ALLAL to buy from ALUMAF, which, as a result, had to lay off workers. In both these cases the government was clearly favouring foreign-owned private firms at the expense of the socialist sector.

The administration's financial stranglehold over the *comités de gestion* was repeated in the organization of sales and the provision of capital goods and raw materials. This was especially true in agriculture where the *comités* were, and are, totally dependent on the state marketing organizations to realize their income. The *Office National de Commercialisation* (ONACO) through its subsidiary offices, the *Coopératives Régionales Agricoles* (CORA), is responsible for marketing all the agricultural produce of the *comités*. In the beginning, these organs manifested such incompetence that many *comités* were driven to sell their products to private buyers, which led to the realization of vast profits at the *comités'* expense. In the summer of 1963, a *comité* at Pérégaux, seeing that its vegetable produce would rot while waiting for the administration to deal with it, organized an auction. This was attended by European buyers who set up a ring, bought the products for 46 million AF and later sold them for 200 million AF.

After experiences of this kind, sales to the private sector were technically forbidden. The workers demanded that they be allowed to control the marketing organizations. 'We, the peasants and workers in *autogestion*, are convinced that we shall not be able to get out of our present difficulties and go forward unless the CORA and ONACO are in our hands, as production is already.'¹³ This radical demand for direct workers' control of distribution as well as production was inevitably refused, and despite criticism of ONACO from all sides of the country, their difficulties remained unsolved.¹⁴ In 1966, the UGTA paper *Révolution et Travail* noted that when products were delivered at the CORA they were often invoiced for less than was in fact delivered, resulting in a loss of income to the *comités*.¹⁵ In 1967, the situation was so bad owing to low fruit prices paid by ONACO (far lower than world prices) that *comités* were forced to mortgage the next year's harvest in order to pay workers' wages. Some *comités* were even led to risk selling products on the black market in the attempt to raise money for wages and immediate expenses. In July 1967, 100 workers from one self-managed estate were arrested for this offence.

The administrative control over the provision of machinery and spare parts caused great difficulties in agriculture. The problem was not so great in industry since the administration had no direct control over such matters. One perennial problem was the provision of tractors which were often held by the administration and hired out to *comités de gestion*. At the October 1963 congress of agricultural workers, the delegate of the Chena M'hand *comité de gestion* at Akbou stated: 'The SAP holds all the machinery and finances. We hope that the enterprise will be given its own machinery and have money to make its own purchases. The SAP hires us tractors at exaggerated prices.'¹⁶ The provision of spare parts was another problem. In August 1965, one show farm, El Djoumhouria, on the outskirts of Algiers, had one-third of its tractors out of commission because ONRA had not ordered spares from England.

Another factor, with equally disastrous effects for *autogestion*, must be mentioned in this review of the economic subordination of the *comités* to the administration: the question of profit-sharing and production bonuses (*primes*). In the *décrets de mars* the net income of the enterprise was to be divided into three parts: state, enterprise and workers; and annual bonuses were to be awarded for high productivity.* Workers in *autogestion* are paid time rates rather than piece rates, so the incentive for high productivity was to come from the annual distribution of profits and productivity bonuses. I have already mentioned the first occasion when this question came up, in January 1964. Here Ben Bella decreed that workers in profitable enterprises should receive 230 DA and the rest 110 DA. This was, in fact, the only time that such a distribution of profits has been made.

The distribution of profits in agriculture and industry has been blocked consistently by the administration, and even the January 1964 payments were not widely received. Under conditions where the accounts of the *comités de gestion* are managed by the administration it is not very difficult for payment of profits to be withheld. It is also impossible for the *comités* to establish the exact profit-or-loss situation of their enterprise. The administration's usual rationalization for the non-distribution of profits was that workers in *autogestion* were already privileged in relation to the rest of the country; and that their profits were to be used to help the under-privileged sections of the community. However, the general opinion of both the

* See details given in Chapter 4.

workers and the UGTA is that what profits there have been in *autogestion* have been used to finance the costs of the administration.

Absorption of profits by the state has had serious consequences for *autogestion*, both in terms of the economic position of the individual enterprise and the attitudes of the workers to the system. The average income of workers in the self-managed sector of industry is lower than that of workers in both the private and state-controlled sectors, as the following table shows.¹⁷

| | autogestion | private | state-controlled |
|----------------------|---------------------|---------|------------------|
| | (April 1961 = 1.00) | | |
| un- and semi-skilled | 1.51 | 1.62 | 1.74 |
| skilled | 2.13 | 2.49 | 2.55 |

The non-distribution of profits has encouraged workers, particularly skilled workers, to move into either the private or state sectors. A delegate from the paper factory at Saida summed up the problem in the March 1964 conference of the socialist industrial sector when he said: 'For a year now we have told the workers, "You'll have your share of the profits." If we deceive them - goodbye to the workers! They will go and work in private firms.' The discrepancy in salaries between the self-managed and private sectors was even more apparent in the case of administrative and technical staff.¹⁸

| | autogestion | private |
|-----------------------------|------------------------------|---------|
| | (monthly salaries in dinars) | |
| technical/engineering | 2134.39 | 2680.83 |
| upper administrative grades | 1046.30 | 2172.06 |
| middle and lower grades | 839.41 | 1541.42 |

The low salaries paid by the self-managed sector also encouraged trained administrative and technical staff to seek employment elsewhere.

The control of every financial transaction by the administration amounted to the virtual imposition of a wage freeze in the self-managed sector. The existence of a free market in labour and a private and state sector that paid higher wages meant that there was an automatic tendency for skilled labour to drift from *autogestion* in industry. In agriculture, despite the imposition of a state-controlled national wage, there was no parallel drift as there was no

Workers' Self-Management in Algeria

real alternative employment in agriculture and the industrial labour market was only open to skilled workers. The effect of this relative economic deprivation on the workers' attitudes to *autogestion* is discussed in the next chapter; but in pure economic terms it resulted in bleeding the *comités* of skilled manpower they could ill afford to lose.

The freezing of profits by the administration affected reinvestment as much as it did wages. The *comités*, in general, did not receive the one-third of the profits destined for reinvestment, while the workers were unable to use their share for extra income or reinvestment. This meant that even the most profitable enterprises were continually starved of reinvestment capital that could increase productivity. The refusal of the state to invest in deficitory firms has already been described. The net result of this situation, in both industry and agriculture, was that the capital assets of self-managed firms were allowed to deteriorate to a point where production began to be seriously affected.

The concept of economic independence within the general terms of national planning was thus a purely juridical fiction for the *comités de gestion*. Almost from the beginning, the administration removed the ability to take any really meaningful decision on the economic future of the enterprise from the hands of its workers. The profitable areas of self-management were used as a milch-cow, while the rest were allowed to stagger on towards increasing debilitation. As one commentator put it: 'For these enterprises, in the majority of cases it is the socialism of poverty; it is not a question of development or constructing a socialist economy. The owners have gone, no one condescends to replace them. The workers try to organize penury in order to keep their jobs and not die of hunger.'¹⁹ On a strictly economic level it is quite clear that the charges levelled against *autogestion* by its opponents had no real foundation. The economic success or failure of self-management lay entirely in the hands of the administration. By restricting the *comités de gestion* to a managerial role purely in the area of day-to-day production, the *décrets de mars* removed from the workers any possibility of seriously affecting the country's economic development. The *comités* were handed over to an administration that actively interfered in their day-to-day operation and totally circumscribed their economic activity. The charges of economic failure are charges against the administration itself.

The Bureaucratic Emprise on the Comités

The onslaught on *autogestion* did not become part of an open state policy till the creation of the *sociétés nationales* in 1966 and 1967. But behind the scenes of public professions of attachment to the principles of *autogestion* lay the realities of a sustained and insidious bureaucratic counter-attack. Each one of the cases cited in this chapter is a record of the gradual and largely unrecognized organization for a political counter-revolution. Long before Ben Bella's fall, the future of *autogestion* had been mortgaged to the administration. The new middle class had instituted its control of economic organization long before it felt politically powerful enough to announce this as a reality.