

# Labour Market Report Algeria - 2020

*The Labour Market Report provides an overview of the labour market's structures, development, and challenges. This report is part of the collaboration by the Danish Trade Union Development Agency (DTDA) and the Confederation of Danish Industry (DI) in the framework of the Labour Market and Social Dialogue under the Danish-Arab Partnership Programme (DAPP) 2017-2022, which is supported by the Danish Ministry of Foreign Affairs.*



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DANISH TRADE UNION DEVELOPMENT AGENCY

## PREFACE

The Danish Trade Union Development Agency (DTDA) and the Confederation of Danish Industry (DI) collaborate in a consortium in the framework of the Labour Market and Social Dialogue under the Danish-Arab Partnership Programme 2017-2022, which is supported by the Danish Ministry of Foreign Affairs. The Consortium works on joint engagement with the respective partners in Jordan, Egypt, Tunisia, and Morocco. In 2019, the development engagement in the MENA-region was extended to include Algeria. For use in the DTDA/DI programming in Algeria, it was decided to make the Labour Market Report (LMR) to conduct a report of the country.

The report is divided into nine thematic sections: economy performance, labour legislation, social partners (government, trade unions, and employers' organisations), social dialogue, violations of trade union rights, wages and working conditions, workforce status (incl. unemployment, sectoral employment, informal economy, migration, child labour, gender, and youth), education, and social protection.

LMR furthermore follows several key central indicators within the framework of the Decent Work Agenda and the Sustainable Development Goals concerning central labour market issues.

Main sources of data and information for the LMPs are:

- Specific types of data and information were collected and validated through a desk-study.
- National statistical institutions and international databanks were used as sources for data collection

of general (statistical) core labour data. It includes the ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of violations of Trade Union Rights, the U.S. Department of State as well as other labour-related global indexes.

- Academia and media sources (e.g. LabourStart, national news etc.) are also used in the general research on labour market issues.

Labour Market Profiles for more than [30 countries are available](#), including from other Northern Africa countries.

The Labour Market Profile was prepared by DTD's Analytical Unit in Copenhagen in close collaboration with DI. Should you have any questions about the profiles, please contact Mr. Kasper Andersen ([kan@dtda.dk](mailto:kan@dtda.dk)) at DTDA.

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## EXECUTIVE SUMMARY

Algeria's economy has depended on the hydrocarbons industry, which was the main attraction for foreign investors. This industry has not supported much direct local employment, e.g. the mining sector covers just 0.6% of the total employment. The economy entered a downturn since 2014 caused by plunges in international oil prices. It strained public spending. Tax hikes led to political turmoil and massive demonstrations in 2019 and in the beginning of 2020. However, the coronavirus global pandemic during 2020 stalled the social upsurges and further deepened the economy crisis.

Different types of Algerian labour-related laws are regularly updated, and the framework is complex. Labour legislation has flaws in international standards concerning the right to organise, the right to collective bargaining, and the right to strike. Reforms on these issues have been stalled during the 2010s. The ILO Committee on the Application of Standards has placed Algeria on the blacklist of countries violating Convention No. 87 on freedom of association. Not to mention, around 38% are working in informal employment that loopholes the rigid labour and business regulations.

Central tripartite structures and dispute resolution systems are in place. Social dialogue occurs on a regular basis through tripartite meetings. Among others, dialogue and negotiation forums have resulted in collective agreements at branch and enterprise level. In practice, trade union rights violations are rampant, and Algeria is ranking five out of five (five is worst) in the Global Rights Index in 2019. Employers' view on cooperation in labour-employer relations is at medium level in the World Economic Forum's Labour Market Efficiency Index. Some improvements were registered in 2019 by ten new trade union organisations and one employers' organisation. Estimations suggest that the number of trade union members increased from 1.9 million in 2012 to 2.6 million in 2019, reaching a relatively high trade union density at 34% of employees. It is even underestimated numbers since members from independent unions are excluded.

There is no systematic and regular monitoring of wage developments in Algeria. Latest guaranteed minimum wage was set in 2012. The subsidies policy has indirectly supported the wage system by assistance to the citizen's income purchasing power. The wage system has experienced changes with a slowdown in permanent employment and a rise in temporary employment.

There were changes of the margin in the employment structures during the last two decades, which has mainly been a declining trend in the agricultural sector. The urbanisation rate increased from 65% in 2007 to 72% in 2017. It has created pressure on demand for formal jobs in the industry and service sectors. The fertility rate jumped from 2.4 children per woman in 2000 to 3.1 children in 2017 as an impact of the economic slump. Despite a slight increase of women in the labour market during the 2010s, the economically inactive working population stayed at 59% of the total working age population.

The economic dip also stalled the solution of one of the long-standing structural problems in Algeria: the high youth unemployment rate, at 30% in 2020, particularly among women and advanced educated. The dire economic situation has caused hiring freezes in most areas in the public sector altered into a frustration among a large segment of youth. Labour productivity continues hovering far above the Northern Africa average, driven by its oil bonanza. The flagging manufacturing sector and a productive transformation, technological upgrading and skills development have become critical issues. The government attempts to form 50 new industrial zones in 2017 have some challenges. The education system is noted with a need to improve its supplies linkages to the labour market demands and handle the 'MENA paradox', i.e. rising educational attainment, yet a low or even stagnant women workforce participation rate during the 2010s.

The net migration trend has changed significantly during the last three decades becoming a migration destination: the country received an influx of irregular migrants from sub-Saharan Africa and a progressive return of Algerian migrants. Personal remittances are not a significant part of the country's economy, which has been supported by the subsidies policy. The current economic stance has triggered discontent towards irregular migrations.

Algeria has a relatively well-developed social insurance system but with some imbalances, e.g. inequalities between the formal sector and informal economy. Legal coverage of old age pension in Algeria is 100%, but, in practice, just 59% were covered in 2018. Unemployment severances pay requirements are available in the formal sector but relatively modest.

The two tables below provide an overview of what is happening on the labour market. The first table is based on key indicators that follow key Decent Work Agenda. ‘

On page v, the second table presents an overview of the Sustainability Development Goals indicators’ current value and targets for labour market issues.

#### Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Algeria

| <b>Creating decent jobs</b>  |  |
|--|--|
| Policy reforms addressing creation of decent employment  | The Algerian government postponed the lifting of the subsidies support programme, cancelled the imposition of new fees and taxes in the upcoming 2019 budget, and exempted all types of fuel from any price increases.   |
| ILO standard setting on improvement of status of workers from the informal economy   | Despite some legal forms of informal economy, there is no substantial action taken to protect informal work.   |
| <b>Guaranteeing rights at work</b>   |  |
| Growth in trade union members from year 2012 to 2019 (%)   | 37% of UGTA membership (excluding members from independent trade unions).  |
| Violations of trade union rights   | Ranking 5 out of 5 (5+ is the worst) *   |
| Labour legislation is improved according to ILO standards  | Different types of Algerian labour laws are regularly updated but remain quite complex. However, no major legislative changes have been made since 2011, e.g. the reformed draft Labour Relations bill from 2011 has still not been adopted.   |
| Trade unions with minimum 30% women representation in decision-making bodies   | Women are not sufficiently represented in trade unions leadership structures and the majority do not have women’s commissions, except for SNAPAP and UGTA. These commissions are concerned with educating women about their union rights, the need to organise, and promote union campaigns against sexual harassment in the world of work.                |
| <b>Extending social protection</b>   |  |
| Health social protection coverage as % of total population in partner countries  | 85%  |
| Workers from the informal economy have access to national social security schemes  | The Algerian Social Insurance System recognises that different categories of informal workers face different situations. It sets different rates and types of benefits for various groups of workers: agricultural, non-agricultural, self-employed, fishing, among others. Self-employed individuals are required to sign up for social security schemes. |
| <b>Promoting social dialogue</b>   |  |
| Trade union density of total employment (%)  | 25%  |
| Trade union density of employees (%)   | 34%  |
| Cooperation in labour-employer relations   | Ranking 78 out of 141 (1 is best) **   |
| Number of Collective Bargaining Agreements (CBAs)  | In 2018, 82 branch collective agreements were registered and 167 collective accords at branch level; 3,817 collective agreements were concluded at enterprise level and 17,238 collective enterprise accords.  |
| Workers’ coverage of Collective Bargaining Agreements to employees   | There is no data available on CBAs coverage.   |
| Bi-/tripartite agreements concluded  | Generally, bipartite and tripartite consultations are held with signature of several pacts during the 2010s.   |
| * While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices. (Source: ITUC, Global Rights Index). |  |
| ** This indicator is based on data from the Global Competitiveness Index that represents employers’ opinions from surveys (Source: World Economic Forum).  |  |
| Source: ILO, ITUC, Friedrich Ebert Stiftung, DTDA Analytical Unit data collection and own calculations.  |  |

## Status of key Sustainable Development Goals in labour market-related issues in Algeria

| Indicators  | Value | Year | SDG Targets  |
|---|-------|------|--|
| 1.1.1: Working poverty rate (percentage of employed living below US\$1.90 PPP)                            | 0.1%  | 2019 | By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.25 a day.   |
| 1.3.1 Proportion of population covered by social protection floors/systems                                | 64% * | 2010 | Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.  |
| 5.5.2: Women share of employment in managerial positions (total management)                               | 8.4%  | 2017 | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.   |
| 8.2.1: Annual growth rate of output per worker (measured as GDP in constant 2011 international \$ in PPP) | 0.9%  | 2019 | Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, and through a focus on high value-added and labour-intensive sectors.   |
| 8.3.1: Proportion of informal employment in non-agriculture employment                                    | 38%   | 2014 | Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, also through access to financial services.          |
| 8.3.1: Men  | 41%   | 2014 |  |
| 8.3.1: Women  | 24%   | 2014 |  |
| 8.5.1: Average hourly earnings of and men employees   | -     | -    | By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.  |
| 8.5.1: Men  | -     | -    |  |
| 8.5.1: Women  | -     | -    |  |
| 8.5.2: Unemployment rate (Total)  | 10%   | 2016 |  |
| 8.5.2: Unemployment rate (15-24 years)  | 26%   | 2016 |  |
| 8.5.2: Men, 15+   | 8.2%  | 2016 |  |
| 8.5.2: Men, 15-24 years   | 22%   | 2016 |  |
| 8.5.2: Women, 15+   | 18%   | 2016 |  |
| 8.5.2: Women, 15-24 years   | 45%   | 2016 |  |
| 8.6.1: Proportion of youth (15-24 years) not in education, employment, or training (NEET)                 | 21%   | 2017 | By 2020, substantially reduce the proportion of youth not in employment, education, or training.   |
| 8.6.1: Men  | 11%   | 2017 |  |
| 8.6.1: Women  | 32%   | 2017 |  |
| 8.7.1: Proportion and number of children aged 5-14 years engaged in child labour (Total)                  | 4.3%  | 2012 | Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. |
| 8.7.1: Girls  | 4.8%  | 2012 |  |
| 8.7.1: Boys   | 3.7%  | 2012 |  |
| 8.8.1: Frequency rates of fatal and non-fatal occupational injuries                                       | 17.6  | 2004 | Protect labour rights and promote safe and secure working environments for all workers, including migrant workers (in particular women migrants and those in precarious employment).   |
| 8.8.1: Non-fatal occupational injuries per 100,000 workers  | 1003  | 2004 |  |
| 9.2.2: Manufacturing employment as a proportion of total employment                                       | 11%   | 2017 | Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in the least developed countries.   |
| 10.4.1: Labour income (Employees) share as a percentage of GDP  | 46%   | 2017 | Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.  |

\* Persons above retirement age receiving a pension (see also the section: Social Protection).

Source: [United Nations, Sustainable Development Goals, Knowledge Platform](#), [The ILOSTAT](#) and [ONS, Enquete Emploi Aupres des Menages 2014](#)

## COUNTRY MAP



Source: [The World Factbook](#)

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## ECONOMIC PERFORMANCE

Algeria is one of the largest economies in the MENA region and a leader in the Maghreb. Hydrocarbons (natural gas and petroleum) have for a long time been the backbone of the economy, it is the third largest natural gas producer in the Arab world after Qatar and Saudi Arabia, the leading gas exporter in Africa and a key energy supplier to France, Spain, Italy, Turkey, the United States, and China.<sup>1</sup> The country's oil boom has enabled the authorities to pay Algeria's debt and invest in infrastructure projects. Hydrocarbons account for around 30% of GDP, 60% of budget revenues, and nearly 95% of export earnings.<sup>2</sup> The hydrocarbon sector has been a priority for foreign investors, and it has not supported much direct local employment, e.g. the mining sector covers just 0.6% of the total employment.

The country's economy is still dominated by the state, a legacy of the country's socialist post-independence development model. The government has been following an import substitution policy and has not promoted the privatisation of state-owned industries; it imposed restrictions on imports and foreign involvement in its economy.

In the 2000s and the beginning of the 2010s, high international prices in oil financed an upsurge in employment in the service sector, especially the public sector. The economy entered a downturn since 2014 due to drops in international oil prices and dwindling foreign exchange reserves. The oil stabilisation fund dropped from about US\$20 billion at the end of 2013 to about US\$7 billion in 2017, which is the statutory minimum. The GDP per capita growth really started a downturn in 2016; it went below 0% in 2017 and just crawled slightly back above 0% in 2018. The downturn has created a pressure to reduce public spending. Tax revenues increased from 14% of GDP on average in 2000s to 20% in the period from 2010 to 2017. In 2019, firms across sectors were almost paralyzed as their owners struggled to sign pay checks or orders to import materials because their bank accounts had been frozen. It triggered a year of popular protests and political turmoil. In the beginning of 2020, the global coronavirus pandemic has further deepened the situation and stalled a series of reforms to wind down subsidies, open the economy to investment and create jobs outside bloated public services.

The country's GDP per capita was estimated at US\$13,886 in 2018, ranking 109 out of 228 countries (1 is highest). Inflation in consumer prices remained under control below 6% in recent years and estimated to

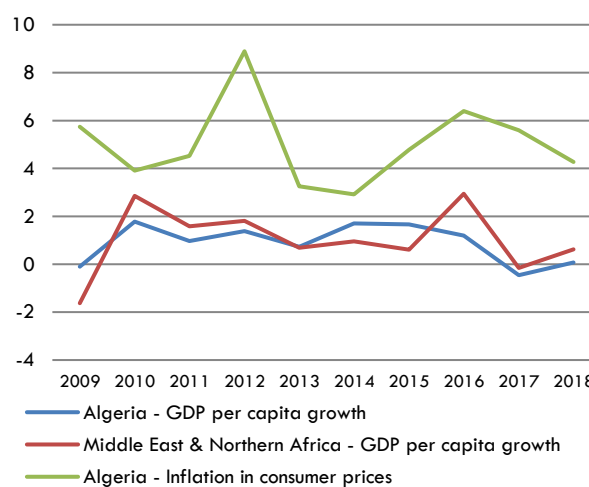
decline to 2.0% in 2019 (see information in Table 1 and Figure 1).

**Table 1: Key economic data for Algeria**

|   |             |
|---|-------------|
| GDP (2018)                                    | US\$ 181 bn |
| GDP per capita (current US\$) (2018)          | US\$ 13,886 |
| GDP real Growth (av., 2009-2018)              | 2.9%        |
| Inflation in consumer prices (av., 2014-2018) | 4.8%        |
| Tax revenue (% of GDP, av. 2014-2017)         | 20%         |

Source: [World Bank, World Development Indicators](#)

**Figure 1: GDP per capita growth and inflation rate, Algeria and Middle East & Northern Africa, %, 2009-2018**



Source: [World Bank, World Development Indicators](#)

The steady and high economic growth during the 2000s and start of the 2010s, coupled with cash transfers and other programmes, trickled down to a significant poverty reduction in the country. According to Table 2 below, employment by middle-class has increased from 67% in 2000 to projected 80% in 2020. In contrast, employment by extremely working poor stood close to 0%. Just 1.1% of the employment live below US\$3.1 per day. Around 19% are among the near poor in 2019 and they remain vulnerable and could easily be falling into poverty again due to economic downturns, ill-health, environmental shocks, and weak social protection coverage. It is important to realise that these estimations exclude the economically inactive population that was around 59% of the total working age population. It supports the fact that other broader estimations of the poverty headcount ratio at US\$5.5 a day in Algeria was registered with 29% in 2011, which was a drop by 26% from 1995. Overall, the country has been in progress to reach eradication of extreme poverty by 2030 (see also SDG table, Indicator 1.1.1, in Page iv). The country also has a relative income equality: Gini index from 27.6 in 2011 (i.e. Gini index measures the extent to which the

distribution of income among individuals or households within an economy deviates from a perfectly equal distribution). The country was ranking at high-medium level in comparison to all countries, which has been supported by social protection schemes. Increasing unemployment and low oil prices during the 2010s make tackling inequality in Algeria a significant challenge.

**Table 2: Estimation and projection of employment by economic class in Algeria, 2000-2020**

| Year | Extremely poor (<US\$1.90) | Moderately poor (>=US\$1.9 & <US\$3.2) | Near poor (>=US\$3.2 & <US\$5.5) | Middle class (>=US\$5.5) |
|------|----------------------------|--|----------------------------------|--------------------------|
| 2000 | 0.8%                       | 5.8%                                   | 26%                              | 67%                      |
| 2010 | 0.1%                       | 1.1%                                   | 19%                              | 80%                      |
| 2020 | 0.1%                       | 1.0%                                   | 19%                              | 80%                      |

Note: Data in this table exclude the economically inactive population that covers around 65% of the working age population.

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Gross fixed capital formation signals how much of the new value added in the economy is invested rather than consumed. When the indicator's value increases, it points towards the fact that economic activities are in progress, supporting the economic development and job creation. Data show that the gross fixed capital formation in Algeria stayed at 36% on average from 2008 to 2017 (which was especially high above 40% from 2015 to 2017) and it is higher than Middle East and Northern Africa average at 24%.

Foreign Direct Investment (FDI) is the net inflows of investment to acquire a lasting management interest in an enterprise, operating in an economy, other than that of the investor. In Algeria, the amount of FDI was estimated at 1.0% of GDP on average from 2009 to 2017 with a declining trend in recent years and stayed below the region average at 2.2% on average. Besides FDI in the oil and gas sector, Algeria received significant investment in the automotive industry in 2018. BAIC International (China), for instance, opened a manufacturing plant with an investment of more than US\$100 million to serve both the domestic and regional markets. Hyundai (Republic of Korea) and Ford (United States) also received approvals from the Algerian Investment Council to set up manufacturing plants (see more ahead).<sup>3</sup>

Algeria is ranking 157 out of 190 countries (1 is best) on the global Doing Business Index in 2020 and stays far below the neighbouring countries such as Lebanon, Egypt, and Morocco. Out of ten doing business indicators, it was registered that resolving insolvency has the highest

ranking (81). Getting credit (181), protecting minority investors (179), trading across borders (172), and registering property (165) have the lowest rankings (see more in Appendix Table 25). It is worthwhile to mention that this index provides a snapshot of the cost of complying with formal regulations for companies that are not small enough to loophole the law or large enough to curve it, argued in media.<sup>4</sup> Generally, the cumbersome doing business regulations still keep many workers in the informal economy.

Algerians express not only a significant economic anxiety, but also concern over corruption, distrust in politicians, and a dissatisfaction with the quality of the public services. Trust in armed forces and police is strongest.<sup>5</sup>

In the beginning of 2020, the country's economic challenges became an even deeper multidimensional crisis. Oil prices almost halved in the start of 2020. It is further a hampering factor to funnel foreign reserves to cushion the pressure on public finances that triggered demonstrations in recent years. Moreover, the global coronavirus pandemic in 2020 also spread in the country. The government responded to the outbreak by shutting down schools and universities across the country to prevent the spread of the virus. It has limited flights to coronavirus hard-hit countries. Meetings and gatherings of a cultural, economic, political, and sporting nature have been suspended. As per March 2020, the authorities stopped short of implementing a full lockdown. It suggests that the pandemic will affect the momentum of the year-long demonstrations.

### Free Trade Zones

In 1997, the first public free trade zone was launched. This zone started as a traditional duty-free area next to the port of Jijel. It was attended to develop it into an export zone attracting light industry from abroad and drawing on local resources (e.g. agriculture, fisheries, and forestry). Today, there are four zones. Foreign investors are exempted from taxes and customs duties, and foreign suppliers can establish customs depots to stock goods for sale in Algeria. In comparison to other countries with FTZs, the number of FTZs and their employment have been on the low end in Algeria, but they have a medium level in export value to the European Union, especially France.<sup>6</sup>

During the 2000s, Algeria adopted several tax exemptions for foreign investors to render investment in the country more appealing. It includes investments in

designated geographical zones. The scheme of these zones benefit from exemption of customs duties on goods and services, whether imported or acquired locally, if used to benefit from the investment as well as exemption of property transfer tax on all real estate purchases made as part of the investment. This scheme enjoys a ten-year tax exemption of company profit, professional activity, and land tax. It opened for an industrial park programme initiated by the government that has consecrated funding to land offer. It was somewhat caught up in public banks control, more than 90% of banking assets, and credit intermediation was underdeveloped.

Estimations of the impact of SEZs in Algeria show that they experienced a negative annual growth rate of trade goods at -5% in compound annual growth rate (CAGR) from 2007 to 2017 just as a relatively low FDI attraction.<sup>7</sup> To change this track record, the Algerian government launched an initiative to form 50 new industrial zones in 2017 to facilitate land access to investors based on long-term loans from the National Investment Fund. The zones should facilitate investors' access to industrial land, both local and foreign. However, many of the zones under consideration are in remote areas, which is challenging vis-à-vis labour availability.<sup>8</sup>

Table 3 below provides an overview of Algeria's ranking on central themes concerning business investment assessments. It suggests that the country is on high-medium level in terms of the ranking.

**Table 3: Facts of communication and transport in Algeria, 2019**

| Theme                            | Number and ranking  |
|----------------------------------|---|
| Communications (Mobile cellular) | 47.2 million subscribers: ranking 32 out of 218 countries *   |
| Internet users                   | 17.3 million (43% of the population): ranking 37 out of 226 countries. **   |
| Airports                         | 157 and 41% are with paved runways: ranking 36 out of 238 countries. ***  |
| Railways                         | 3,973 km: ranking 50 out of 136 countries.  |
| Roadways                         | 113,655 km (and 69% are paved): ranking 46 out of 215 countries.  |
| Merchant marines ****            | 114 ports (2 are bulk carrier, 11 general cargo, 10 oil tanker, and 91 'other'): ranking 83 out of 182 countries. |

\* Mobile cellular compares the total number of mobile cellular telephone subscribers. \*\* Internet users compares the number of users within a country that access the internet. \*\*\* Airports compares the total number of airports or airfields recognizable from the air. \*\*\*\* Merchant marine compares all ships engaged in the carriage of goods; or all commercial vessels (as opposed to all non-military ships), which excludes tugs, fishing vessels, offshore oil rigs.

Source: [The World Factbook: Algeria](#)

## LABOUR LEGISLATION

Different types of Algerian labour laws are regularly updated but remain complex: 1,092 national labour-related legislatures were recorded as per August 2019. New and amended legislation, regulation, decree and ordinances were approved at a high pace in recent years, see Table 4 and details in Appendix Table 23. Nevertheless, no major legislative changes in the core Labour Law have been approved since 2011. In 2019, the government prioritised to improve the business climate and attract foreign capital for the benefit of the national economy.

**Table 4: Number of approved labour-related legislation, regulation, decree, ordinance in Algeria, 2014-2018**

| 2014 | 2015 | 2016 | 2017 | 2018 |
|------|------|------|------|------|
| 21   | 36   | 25   | 18   | 27   |

Source: [ILO, NATLEX, Algeria](#)

The central fundamental labour legislation is summarised below.

### Constitution

The Constitution guarantees the fundamental human and citizen rights, including the freedom of association, assembly and peaceful demonstration, the right to organise and strike when exercised in compliance with the law. Trade union pluralism is furthermore a constitutional principle, providing workers with the right to join and form unions of their choice, provided they are Algerian citizens.

Algeria has aimed to put the constitution in line with the ILO's Conventions that cover a wide area of social and labour issues, including basic human rights, minimum wages, industrial relations, employment policy, social dialogue and social security. The country has not yet enacted the legislation needed to fully implement these conventions (see ILO Conventions section).

Latest reforms of the constitution were with reference to presidential term limits, which were eliminated in 2008 and reintroduced in 2016, limiting the president to two five-year terms. In 2018, a reform of the constitution was related to how judges are elected, make political party finances more transparent, end consecutive re-election for legislators and bring back the Senate. The new President Abdelmadjid Tebboune formed a panel in January 2020 to amend Algeria's constitution to give parliament and the judiciary a greater role, a step aimed at helping end a month-long political crisis.

### **Labour Relations Act**

The law (No. 90-11) from 1990, as last amended Order No. 97-02 from 1997, is the current legislation requiring that workers obtain government approval to form a union, and the Ministry of Labour must approve or disapprove a union application within 30 days. To establish a union, an applicant must be Algerian by birth or have held Algerian nationality for 10 years. The law also provides for the creation of independent unions, although the union's membership must account for at least 20% of an enterprise's workforce. Unions have the right to form and join federations or confederations, and the government recognises four confederations. Unions may recruit members at the workplace. The law prohibits discrimination by employers against union members and provides mechanisms for resolving trade union complaints of antiunion practices by employers.

The law prohibits unions from associating with political parties and receiving funds from foreign sources. The courts are empowered to dissolve unions that engage in illegal activities. The government may invalidate a union's legal status if authorities perceive its objectives to be contrary to the established institutional system, public order, good morals, law, or regulations in force.

The law provides for the right to strike, and workers have exercised this right, subject to conditions. Striking requires a secret ballot of the employees. The decision to strike must be approved by majority vote of workers at a general meeting.

Based on tripartite consultations during the 2000s, a new draft labour bill was completed in 2011. It was linked to the Public Service Act from 2008. This draft bill is still in progress and consultations with social partners have been active during the 2010s. Certain aspects are scrutinised, such as temporary work agencies, with a view to facilitating the employment of part-time and unemployed workers and enabling the user enterprise to meet temporary demands for labour. In addition, subcontracting activities, with a view to combating informal work and illicit subcontracting activities, are put on the table. Particularly the ILO Committee on the Application of Standards noted, in recent years, with concern, that progress towards compliance with Convention No. 87 stayed slow as this case has been discussed for more than a decade and the government had yet to bring the draft Labour Code to Parliament for it to be finally passed. An ILO high-level mission visited Algeria in May 2019. In the aftermath of ILO Committee on the Application of Standards' observations, the ILO mission issued a series of recommendations and technical

comments for a legislative revision in favour of full exercise of freedom of association, in accordance with the requirements of ILO Convention No. 87.

### **Freedom of Association Law**

Until the 1990s, UGTA was the only lawful workers' union, but Law 90-14 from 1990 was adopted (amended in 1996), allowing for the establishment of independent unions. Among others, several autonomous unions were created in the public sector.

The bill requires that new unions register by sending a declaration announcing their establishment to the authorities. The declaration must contain the list of the founding members and the administrative committee members of the union as well as their signatures, their personal status, their profession and home address, as well as two certified copies of the bylaws of the union and the minutes of its founding general assembly. The law states that the governor or the labour minister must deliver a receipt (*récépissé*) acknowledging the constitution of the union within 30 days.

It has been noted that authorities have curtailed the work of independent unions in various ways. For example, they withheld legal status from independent unions that applied for it, hindering their ability to collect the membership fees they would need to rent an office and organize events. Without legal status, they cannot open a bank account or file cases in court. Several union activists faced retaliation for organizing or participating in strikes. They were suspended from their positions without compensation and never rehired. The ILO has recommended that Algerian authorities end the practice of preventing registration of autonomous unions and reinstate all workers suspended or dismissed because of their trade union activities.<sup>9</sup>

A reformed Association Law in 2012 (Law 12-06) improved the situation for independent unions on paper, though in practice problems persisted. No official data are available on their membership rates but could be tens and even hundreds of thousands. They have faced continuing harassment and repression, while others repeatedly have been denied registration.

### **Other main labour legislation<sup>10</sup>**

- Legislative Decree No. 94-09 on the preservation of employment and protection of employees who may unintentionally lose their job.
- Individual Labour Disputes Settlement Act [ILDSA], No. 90-04 of 6 February 1990.

## Observations on the labour legislation

Although Algeria has ratified the eight core ILO Conventions, there are shortcomings in the domestic labour legislation framework. For example, the International Trade Union Confederation (ITUC) has registered several flaws of the legislation in comparison to international standards on the right to organise, the right to collective bargaining, and the right to strike, which include:<sup>11</sup>

- Sanctions imposed for organising or joining an organisation not officially recognised.
- Undue or excessive privileges granted to certain organisations (such as privileges going beyond that of priority in representation for such purposes as collective bargaining or consultation by governments, or for the purpose of nominating delegates.
- Restrictions on workers' right to join the trade union of their choosing imposed by law (i.e. obligation to join a trade union of a certain level e.g. enterprise, industry and/or sector, regional and/or territorial national).
- Restrictions on the right to elect representatives and self-administer in full freedom.
- Restrictions on the right to freely organise activities and formulate programmes.
- Armed forces and non-national or migrant workers are prohibited or limited from forming or joining a union, or from holding a union office.
- Previous authorisation or approval by authorities required to bargain collectively.
- Excessive requirements in respect of trade unions' representativity or minimum number of members required to bargain collectively.
- Exclusion of certain matters from the scope of bargaining (e.g. wages, hours).
- Compulsory recourse to arbitration, or to long and complex conciliation and mediation procedures prior to strike actions.
- Restrictions with respect to the objective of a strike (e.g. industrial disputes, economic and social issues, political, sympathy and solidarity reasons).
- Authorities or employers' power to prevent or end a strike by referring the dispute to arbitration.
- Excessive civil or penal sanctions for workers and unions involved in non-authorized strike actions.
- Discretionary determination or excessively long list of "essential services" in which the right to strike is prohibited or severely restricted.

- Discretionary determination or excessively long list of "services of public utility" in which a minimum operational service can be imposed in the event of strikes.
- Unreasonable or discretionary (i.e. without negotiation with social partners or absence of an independent authority in the event of disagreement) determination of the extent of the "minimum service" to be guaranteed during strikes in public services.

## Ratified ILO Conventions

Regarding Algeria's ratification of international labour standards, 60 ILO Conventions are ratified, of which 46 are in force, 12 Conventions have been denounced, none has been ratified in the past 12 months (see also Appendix Table 24).<sup>12</sup>

First, the eight Fundamental Conventions are the most important conventions that cover four fundamental principles and rights at work. Algeria has ratified all of them.

Second, ILO has designated four Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions encourage a well-regulated and well-functioning labour market. The country has ratified 3 out of 4 of these Governance Conventions - the one not ratified is the Labour Inspection (Agriculture) Convention, 1969 (C129).

Third, ILO has furthermore 177 Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. an Up-To-Date Convention is one that is ready for ratification by the Member States and one that has been examined by the ILO Governing Body and deemed to be still relevant.<sup>13</sup> Algeria has to date ratified 49 of the Technical Conventions and 15 are Up-to-Date (see more details in Appendix Table 24).

The latest ratified Conventions were the Maritime Labour Convention (MLC, 2006) from 2016, followed by the Merchant Shipping (Minimum Standards) Convention and the Private Employment Agencies Convention from 2006.

In 2017, ILO Committee of Experts on the Application of Conventions and Recommendations claimed that the lengthy registration process seriously impedes the establishment of new unions. However, the ILO contact mission, which was due to take place at the end of February 2018, was called off after the government did not confirm that the mission would be able to meet with independent unions in Algeria. At the



108th session of the International Labour Conference in Geneva, Algeria was criticised by ILO for non-respect of trade union rights and obstacles to trade union activity. The ILO Committee on the Application of Standards (comprising representatives of governments, employers and workers) has placed Algeria on the blacklist of countries violating Convention No. 87 on freedom of association, particularly due to the delay of adopting the new labour law.<sup>14</sup> On the other hand, representation from the government, the trade union movement and employers' organisations criticised the ILO's International Labour Conference with reference to recommendation from the Committee as well as particularly countries' comments.<sup>15</sup>

### Trade Agreements

Algeria has made strides towards market liberalisation and regional integration over the last decade. The country has moved closer towards the World Trade Organisation (WTO) ascension and has a single tariff regime for all partners outside its free trade agreement arrangements. By adopting a rather liberal international arbitration legislation, Algeria attempts to improve protection of foreign investment.<sup>16</sup>

Algeria is a member the Pan-Arab Free Trade Area (PAFTA) also called the Greater Arab Free Trade Agreement (GAFTA). Under this agreement there are no import duties charged on so-called intra-REC imports from Egypt, Tunisia, Libya, Morocco, or Sudan (as well as several other non-African countries). The rules of origin are that there must be 40% content from within the free trade area.<sup>17</sup>

The European Union - Algeria Association Agreement was signed in April 2002. This agreement sets out a framework for the EU-Algeria relationship in all areas including trade. It entered into force in September 2005 and began active membership in the Arab Free Trade Zone in 2009. The EU and Algeria adopted shared Partnership Priorities in March 2017. The partnership priorities set up a renewed framework for political engagement and enhanced cooperation. The Partnership Priorities in the context of EU-Algeria relations up to 2020 focus on a variety of areas, including trade and access to the European single market, energy, the environment, and sustainable development.<sup>18</sup>

The EU holds dialogues with Algeria on migration issues, including irregular migration. Migration is one of the Partnership priorities. An informal dialogue has been in place since 2015. Algeria benefits from the support

offered by the regional programmes covering migration funded by the European Neighbourhood Instrument (such as EUROMED Migration IV) and the Regional Development and Protection Programme (RDPP).

Algeria is part of Maghreb together with Libya, Mauritania, Morocco, and Tunisia. However, trade in Maghreb is low in terms of both intraregional exchanges and trade with the rest of the Middle East, Northern Africa, and the rest of the world. The level of regional trade among Maghreb countries is low compared with other regions, which, for a country like Algeria, is based on a very limited diversification of export products.

The country has furthermore signed bilateral trade agreements with 21 other countries. There is no bilateral free trade agreement between the U.S. and Algeria, but in 2001, the two countries signed a Trade and Investment Framework Agreement (TIFA) that created a platform for discussion of trade and investment issues. Also, the European Free Trade Association (EFTA) – Iceland, Lichtenstein, Norway, and Switzerland – wants an FTA with Algeria.

The country is furthermore member of the League of Arab States and the African Union.

## SOCIAL PARTNERS

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Social partners are central to promote the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining. These organisations are usually represented as the government, trade unions, and employers' organisations.

### Government

The Ministry of Labour, Employment and Social Security (MLESS) is responsible for setting national standards and disputes regarding employment, governs the labour market, regulates labour relations, and enforces labour law.

The core of employment policy in Algeria has been the implementation of active labour market programs by various public agencies. Each agency runs different programmes and has access to considerable resources. There has been limited information available about their operations and results. Little is known about the number of beneficiaries, dropout rates, follow-up of beneficiaries and evaluation of policy effectiveness in terms of job placement rates, impact on duration of unemployment and quality of employment.<sup>19</sup>

The main tripartite institutions are under the supervision of the ministry (see Social Dialogue section). The ministry is supervising the National Employment Agency (ANEM), National Youth Employment Support Agency (ANSEJ) and the National Unemployment Insurance Fund (CNAC). Other ministries such as the Ministry of National Solidarity conducts activities linked to the fight against poverty operating with the National Agency for the Management of Microcredit (ANGEM) and Social Development Agency (ADS). In addition, other ministries are involved in employment policies, e.g. the Ministry of Industry and Handicrafts, the Ministry of Agriculture and the Ministry of Industry. The National Agency of Development of SMEs (ANDPME) and the National Agency of Investment Development (ANDI) are furthermore involved in employment issues.<sup>20</sup>

The national statistical information system entrusts National Office of Statistics (ONS), under the direction of the Ministry of Finance with the mission of producing economic statistics regularly, including on employment. In practice, data collection and studies remain challenged and limited in the country.<sup>21</sup>

## Trade Unions

Prior to Algerian independence in 1962, trade unions in Algeria were structured within regional organisations of French trade unions. After independence, the General Union of Algerian Workers (UGTA) became the sole trade union centre. The state had monopoly of the major industries, and the nationalised enterprises with autonomy and substantial financial independence. By the end of the 1960s, the UGTA was under state control/sponsorship linked with the *Front de Libération Nationale* (FLN). Unionism was more strategically political-oriented than workers' unity and solidarity.<sup>22</sup>

At the end of the 1980s, constitutional changes and reformed laws changed the unionism landscape. UGTA was distanced from the FLN. In 1990, the Act on Freedom of Association (Law 90-14) opened for trade union pluralism. It allowed for the establishment of independent unions in several sectors and enabled influential trade union activity - both in the private sector and the public service sector. Despite flourishing unionism activity, the UGTA continues to be the only centre recognised in the national tripartite mechanisms.

Table 5 provides an overview of the status of trade unions in Algeria. First, the aftermath of a mission from ILO that visited Algeria in May 2019 resulted in the registration of 11 new trade union organisations, which

brings the number of registered organisations to 75 trade unions (see ahead).<sup>23</sup> Second, there were no official data available on the trade union membership, but ITUC listed UGTA's members from 1.9 million in 2012 to 2.6 million in 2019, which was a growth of 37%. It suggests a relatively high trade union density of 34% of employees. It is a significant underestimation of the total trade union membership rate due to lack of data from independent unions. Third, there are no data on women's share in the trade union membership rate, but since the women's labour force participation rate is relatively low at 15%, it appears low.

**Table 5: Status of trade unions in Algeria, 2019**

|                                     |           |
|-------------------------------------|-----------|
| Number of registered trade unions   | 75        |
| Number of federations *             | 1         |
| Members of trade unions (UGTA)      | 2,567,600 |
| Growth in membership, 2012-2019     | 37 %      |
| Women share of total membership     | N/a       |
| Trade union density (employment) ** | 25 %      |
| Trade union density (employees)     | 34 %      |

\* Recognised participation in tripartite social dialogue. \*\* Aggregated in employees, own-account workers, and contributing family workers.

Source: ITUC, ILO and own calculations on trade union density based on data from ILOSTAT.

The Association Law (Law 12-06) was reformed in 2012. It became more restrictive than the previous legislation. Many independent unions encounter administrative hurdles, for example, applications for legal status have been withheld and hinder their ability to collect the membership fees. Other challenges are blocking of foreign funding, ban of public meetings, participating in tripartite social dialogue and filing cases in court. Numerous autonomous unions have denounced acts of harassment and repression. As a result, several independent unions' voice has been directed by the ITUC through on-going international social dialogue in the ILO Committee on the Application of Standards meetings.<sup>24</sup> The ITUC affiliates in Algeria are General Autonomous Confederation of Workers in Algeria (CGATA) and UGTA.

The establishment of trade union organizations or sections in the private sector is one of the major challenges facing the Algerian trade union movement, whether autonomous or affiliated to the UGTA. Union representation in the private sector is marginal and the rate of unionisation hardly exceeds 5%, although this sector is the provider of jobs in Algeria to around 4 million employees.<sup>25</sup> A large majority work in small and

medium enterprises (SMEs) that can often loophole the labour regulations or lack awareness of unionism.

Out of 1,000 independent unions, only 122 were able to successfully register their status under the law. In March 2018, the Ministry of Labour required 65 certified unions to present proof of their representability for re-registration (see also Appendix Table 21). According to the list published by the Ministry, only 17 trade unions met the criteria. The applications filed by two independent unions, General Autonomous Confederation of Workers in Algeria (CGATA) and the National Autonomous Union of Sonelgaz Gas and Electricity Workers (SNATEG), were initially rejected, but later the former was recognised (see ahead).<sup>26</sup> Since 2016, Algeria has been under scrutiny by the Committee on the Application of Standards at the Conference for violations of fundamental ILO Convention 87 on Freedom of Association. The Committee has expressed concern at the persistence of restrictions on the right of workers to join and establish trade union organisations, federations, and confederations of their own choosing. In recent years, several strike actions were launched in reaction to the government's refusal to extend official recognition to new unions and its practice of engaging only with the UGTA. The status of the main trade union organisation is summarised below.

#### **General Union of Algerian Workers (UGTA)**

Established in 1956, UGTA was part of FLN. It challenged its independency. Legislation in the 1970s placed UGTA as the sole recognised labour organisation and bargaining agent. The UGTA has remained the main trade union centre, with only a few unions not affiliated. The membership is mainly in the public sector and in certain privatised companies.

During the 2000s and the 2010s, UGTA has been accused of acting in the interest of the government to undermine union pluralism. The organisation's support for the ruling party has continued alongside significant mobilisations and strikes led by UGTA unions over many years. UGTA is organising more than 2.6 million workers in 20 sectoral unions. It is by far the largest trade union force in the country. They include 230 local unions, which count no less than 4,000 to 5,000 members and represent the union sections of the same commune or a group of small municipalities. These local unions are attached to 45 unions of Wilayas, subject to the National Executive Board. UGTA has an active women's section.

#### **General Autonomous Confederation of Workers in Algeria (CGATA)**

Since the early 2000s, Algerian autonomous trade unionists were trying to have a joint structure. It was blocked under appellations. The reformed Association Law in 2012 improved the situation for independent unions, though. In 2014, six autonomous unions decided to launch the CGATA. In December 2014, the CGATA was recognised by the ITUC.

CGATA has been an independent organisation that includes thirteen public and private sector unions. The confederation includes migrants working. The government finally recognised the organisation in November 2018. It will change the way in which Algerian autonomous trade unions operate. ITUC listed CGATA's membership of 269,000, which is back from 2014. Media suggest it represents up to 4 million workers in 2018, but it has not been confirmed by official data.<sup>27</sup> The recognition of CGATA will challenge the monopoly of UGTA and how to become a player on the social dialogue system (see also Collective Bargaining sub-section).

While some independent unions are now recognised, including the National Autonomous Union for Public Administration Personnel (SNAPAP), they have faced continuing harassment and repression, and others have repeatedly been denied registration.

#### **Employers' Organisations**

Based on estimations, employers represent around 4.2% of the total employment in 2020 in Algeria (see also Figure 4 ahead). Employers are obligatory to provide a 'social plan' that could contain alternative measures to assist redundant employees, such as internal transfer, proposal for external employment, measures for early retirement and compensation packages. The application of this concept of 'social plans' still requires to be developed in practice in the country. As a result of a complex procedure, the employer must provide the labour inspectorate with a possible range of alternative measures. In most cases, employers are required to notify the competent administrative authority or the public employment service starting a collective redundancy process, but prior approval is not required before dismissing workers.<sup>28</sup>

The Global Competitiveness Index provides a view on a wide range of aspects, including labour market efficiency. The latter is elaborated upon surveys among employers and other statistical data, and Algeria was measured on a low level, ranking 131 out of 141



countries (1 is the best) in 2019. Out of the 12 labour market efficiency indicators, the highest scorings are 'hiring and firing practice' (55) and 'internal labour mobility' (59). Worst rankings are 'ratio of wage and salaried women workers to men workers' (137), 'labour tax rate' (125) and 'ease of hiring foreign labour' (125) (see more in Table 6 below). It is worthwhile to mention that the indicator 'cooperation in labour-employer relations' stepped up from 101 out of 140 countries in 2018 to 78 out of 141 in 2019.

**Table 6: Employers' view of the labour market efficiency in Algeria, 2019**

| Labour market indicators                                | Rank * |
|---|--------|
| Labour market efficiency                                | 131    |
| Redundancy costs (weeks of salary)                      | 78     |
| Hiring and firing practice                              | 55     |
| Cooperation in labour-employer relations                | 78     |
| Flexibility of wage determination                       | 75     |
| Active labour policies                                  | 74     |
| Workers' rights   | 113    |
| Ease of hiring foreign labour                           | 125    |
| Internal labour mobility                                | 59     |
| Reliance on professional management                     | 121    |
| Pay and productivity                                    | 81     |
| Ratio of wage and salaried women workers to men workers | 137    |
| Labour tax rate   | 125    |

\* Rank from 1 to 141 (1 is best).

Source: [The Global Competitiveness Report, 2019, 8<sup>th</sup> pillar: Labour market efficiency](#)

In Algeria, employers' organisations provide advice to their members on legal requirements and procedures. As per June 2018, 42 employers' organisations were registered, and up to 43 in 2019 (see also Appendix Table 22).<sup>29</sup> Some of the main employers' organisations participating in tripartite meeting are the General Confederation of Algerian Enterprises (CGEA), the Businessmen's Forum (FCE), the National Union of Public Entrepreneurs (UNEP), the National Confederation of Algerian Employers (NCAE), the Confederation of Algerian Industrialists and Producers (CIPA), the Algerian Confederation of Employers (ACE), the National Union of Investors (UNI), the General Confederation of Patron-BTPH (CGP-BTPH), and the General Assembly of Algerian Entrepreneurs (GAEE).

## SOCIAL DIALOGUE

Collective bargaining through social dialogue plays a central role in the industrial relations setting between organised workers, employers, and the government at both bipartite and tripartite levels. It is in scope of

freedom of association and the right to organise, collective bargaining, consultation, examination of grievances and settlement of industrial disputes. Ideally, the three partners are treated equally and independently to seek solutions to issues of common concern.

In Algeria, social dialogue processes really began in 1995. Tripartite meetings between the government and representation from trade unions and employers' organisations were initiated and developed. Today, it is functioning. Bipartite meetings were also launched between the government and trade unions.

The social dialogue partners from employers' organisations are represented by UNEP, CAP, and CGEA. Two other Non-Governmental Organisations (NGOs) also take part in the dialogue: the Algerian Business Leaders Forum (FCE) and the Algerian Association of Women Managers (SEVE – *Savoir et Vouloir Entreprendre*).<sup>30</sup> UGTA has representation from trade unions in the tripartite consultations. Other registered unions do not have the scope required for admission to the (national and international) tripartite dialogue and are not invited by the government to participate in the tripartite dialogue. This has generated frequent demonstrations from autonomous trade unions and other non-registered unions to support workers' demands.

Generally, social dialogue occurs on a regular basis through tripartite meetings. Dialogue and negotiation forums have resulted in salary settlements, training, improved working conditions, health and safety in work and creation of institutions and other bodies.<sup>31</sup>

The practice of social dialogue at the national level resulted in the National Economic and Social Pact in 2006 by the government and the economic and social partners, which was renewed in 2010. Studies argued that the social dialogue was somewhat eroded in the beginning of the 2010s.<sup>32</sup> However, in February 2014, the Pact was re-launched to ease tensions in the tripartite terms and it constitutes the framework for cooperation between the government and social partners. The objectives of the pact have been to accelerate the process of economic reform, industrial development, improving the business climate, the health and social protection system and access to employment. In February 2020, the government launched a contribution for the construction of a new pact.

In 2015, the Ministry of National Education and eight sectoral trade unions in the same sector (out of the ten unions in the sector) furthermore concluded an ethical charter containing commitments by all parties to the preservation and promotion of a social climate conducive to the resolution of the problems in the sector. The UGTA also concluded a pact for stability and enterprise development in the private sector with employers' organisations in 2015.

### Central Tripartite Mechanism

In Algeria, several tripartite bodies are installed, and the main institutions and their status are outlined below.

#### Minimum Wage Advisory Board

The guaranteed Minimum National Wage (known in French as *Salaire National Minimum Garanti – SNMG*) is determined in tripartite meetings between government, UGTA, and employers' organisations. In principle, minimum wage level could benefit changes in the average national productivity, the consumer price index, and the general economic situation. In practice, minimum wage negotiations took place on an ad-hoc basis. It has been a result of low visibility at the social partners due to no institutionalised timetable for wage negotiations. During the 2010s, it was debated to form a functioning minimum wage system in the country. Trade union movement and employers' organisations often do not share the same concerns as the government (see more in Working Conditions section).

#### Social security

Three main institutions in the social security system operate in tripartite structures. First, the National Social Insurance Fund for Salaried Workers (French acronym: CNAS) is responsible for the management of benefits in kind and cash from social insurance, industrial accidents and occupational diseases and family benefits on behalf of the State. Second, the National Pension Fund (French acronym: CNR) administers pensions and retirement allowances as well as survivors' pensions and allowances. Third, the National Fund for Unemployment Insurance (French acronym: CNAC) manages unemployment benefits, assistance to companies in difficulty to better carry out dismissal procedures, reintegration assistance, support for the creation of activities for unemployed people over 30 years of age.<sup>33</sup> See more in Social Protection section.

#### Industrial courts and alternative dispute resolution

The judicial power is constitutionally independent. The constitution furthermore provides for the right to a fair

trial, but authorities have not always respected legal provisions that protect defendants' rights.<sup>34</sup> Tribunal courts (lower courts) at the sub-province level (*daira*) compose the first level of jurisdiction to hear labour disputes (also civil and commercial litigation). There are no separate Sharia courts for personal status cases. In labour law cases, tribunals also hear plaintiffs in some instances of disciplinary measures, pay slip or labour certificate litigation. In these matters, the territorial jurisdiction is determined by reference to the place of domicile of the defendant. Courts of Appeal (*daira* courts) are grouped within each province under the jurisdiction of the provincial court (*wilaya*). It consists of a panel of three judges, who hear appeals from the tribunal courts.

In Algeria, alternative dispute resolution outlines the rules for transaction, defined as a contract between the parties, each of them committing in obligations to settle a dispute. While a transaction is a contract between private persons, arbitration is an alternative jurisdictional way to settle dispute and is based on the contractual agreement of the parties to submit a dispute to an arbitral tribunal. The arbitration tribunal has the obligation to settle the case. Arbitration in Algeria refers to both internal commercial dispute and international arbitration. It is prohibited to public bodies except in international trade or public procurement areas.<sup>35</sup> In practice, workers' representatives hold regular meetings with employers. The aim is to undertake joint examinations of the situation of the socio-occupational relations and workers' general working conditions.

#### Collective Bargaining

Labour Law provides for collective bargaining by all unions, and the government permitted the exercise of this right for authorised unions, i.e. UGTA remained the workers' representation authorised to negotiate collective bargaining.<sup>36</sup> A collective bargaining agreements is written and signed by the employer (or a group of employers) and the trade union representatives. In 2018, 82 branch collective agreements had been registered, as well as 167 collective accords at branch level, while 3,817 collective agreements had been concluded at enterprise level, as well as 17,238 collective enterprise accords. There are no data available on CBAs coverage.<sup>37</sup>

Some of the dysfunctionalities of the social dialogue are reflected in the number of strike actions. In 2016, 35 strike actions (23 in the public service and 12 in the private sector) were listed with the participation of over

200,000 workers from the various sectors.<sup>38</sup> The 2019–2020 Algerian protest demonstrations, also called Revolution of Smiles, erupted in response to former President Abdelaziz Bouteflika's decision to seek a fifth term in office, and quickly transformed into demands for systemic change. It triggered political turmoil. An unprecedented wave of anger gradually began to dissipate after the military pressured Bouteflika to resign in early April 2019. A presidential election was held in December 2019 despite boycott. Based on low turnout, Tebboune was elected head of state.

## TRADE UNION RIGHTS VIOLATIONS

Trade union rights violations are rampant in Algeria. The country is ranking five out of five (five is worst) in the Global Rights Index in 2019, which is listed with 'no guarantee of rights. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.<sup>39</sup> ITUC sets Algeria among the world's ten worst countries to work in.

Dismantling of independent unions and violent attacks on workers in Algeria remain dangerous places for trade unionists. Authorities still seek to quash any attempt at organising an independent labour movement. In practice, several union activists faced retaliation for organising or participating in strikes. International organisations argue that these independent trade unions were suspended from their positions without compensation and never rehired.<sup>40</sup>

ITUC recorded many cases in Algeria during the 2010s. The latest cases from 2017 were related to enforced dissolution of the National Autonomous Gas and Electricity Workers' Union (French acronym: SNATEG) by the authorities; government harassment of the SNATEG and its members; protesters beaten and arrested during a SNATEG demonstration in Bejaia; lawsuit filed against a teacher at the University of Moasqar; suspension of a trade unionist from the National Union of Postal Workers; arbitrary dismissals of trade unionists at the newspaper Liberté; trade union leader and affiliates of the SNATEG arbitrarily detained to impede a demonstration in Tizi Ouzou (were later sentenced to imprisonment and fines for objecting to poor conditions of work and to the sexual harassment of women workers); and anti-union threats and repression during protest actions at end 2016.<sup>41</sup>

Representative worker members at the ILO's International Labour Conference argued several ongoing individual cases of interference by the authorities in the activities of

trade unions in 2018. In connection with the exercise of freedom of association and respect for civil liberties, they recalled cases of harassment and persecution against independent trade union officials.<sup>42</sup> For example, SNAPAP and other independent unions faced government interference, including official obstruction of general assembly meetings and police harassment during sit-in protests. The government restricted union activities and the formation of independent unions in certain critical public services sectors, such as oil and gas and telecommunications. ITUC reported that judicial persecution of trade union leaders had intensified.<sup>43</sup>

Another aspect that illustrates some of the confrontations of labour rights on the labour market in Algeria is in the number and type of Freedom of Association cases in the ILO's Committee of Freedom of Association framework. As per August 2019, one active Freedom of Association case was listed in a company of 4 follow-up cases (Table 7). This active case was filed back in April 2016 by the claimant, the SNATEG. The complainant alleges a systematic crackdown on its officers and members, and particularly its President, by an enterprise in the energy sector since the trade union's establishment and the public authorities' refusal to put an end to these violations of trade union rights. Based on the Interim Report from June 2018, the Committee of Freedom of Association presented several recommendations, e.g. the Government should ensure respect for the decisions applying the principles of freedom of association concerning the right of minority trade unions to carry out their activities and represent their members. The committee expects the Government to take all necessary measures to ensure that the provisions of the Act are implemented in respect of SNATEGS and meet the criteria for representativeness. In addition, the Committee strongly urged the Government to take all necessary measures to ensure peaceful labour relations in the enterprise and to address the serious acts of anti-union discrimination reported.<sup>44</sup>

**Table 7: Freedom of Association cases in Algeria, 2019**

| ILO Complaints Procedure | Number |
|--------------------------|--------|
| Active                   | 1      |
| Follow-up                | 4      |
| Closed                   | 1      |

Source: [ILO, NORMLEX, International Labour Standards country profile, Algeria](#)

## WORKING CONDITIONS

The minimum wage was set up in the 1990s for all sectors: public and private, domestic and foreign workers. A

clause to include all bonuses and allowances was included in the minimum wage. It turned out controversial. Among others, the increased cost of the minimum wage was perceived as unbearable by companies and remains a subject for debate between the government and the unions. In the framework of a tripartite social pact established the national guaranteed minimum wage (French acronym: SNMG) of DZD 18,000 (US\$231) per month back in 2012. The SNMG system has not been revised since then. According to the government, the policy for food products, especially those of primary necessity, indirectly support the minimum wage system through assistance to the citizens' income purchasing power.

A person working in Algeria typically earns around DZD 220,444 (US\$1,850) per month (i.e. the average monthly salary including housing, transport, and other benefits). In addition, wage equality between Algerian women and men for similar work is 0.78 (1 is highest equality), which suggests a significant gap between sexes. However, the country has the highest wage equality rate among the neighbouring countries. See more in Table 8. The government implements a subsidies policy on fuel and primary consumption items to indirectly support the wage system and the workers' income purchasing power.

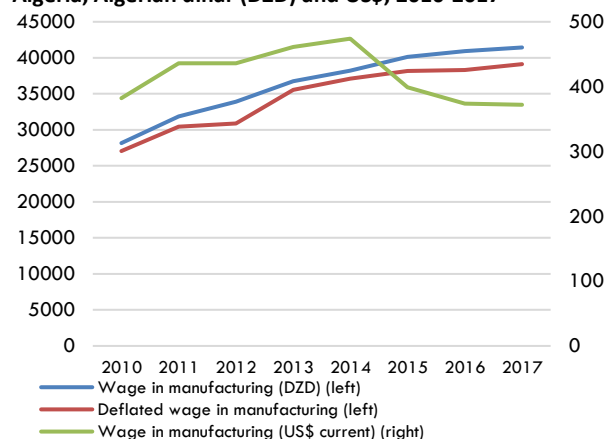
**Table 8: Status of wages and earnings in Algeria, monthly**

|  | Current<br>Algerian dinar | Current<br>US\$ |
|--|---------------------------|-----------------|
| Median salary (2019)                                 | 218,239                   | 1,832           |
| Minimum salary                                       | 29,838                    | 250             |
| Maximum salary                                       | 976,157                   | 8,193           |
| Wage in manufacturing (2017)                         | 41,438                    | 372             |
| Official minimum wage (2012-current)                 | 18,000                    | 231             |
| Manufacturing wage increases from 2013 to 2017       | 13%                       |                 |
| Wage equality between women and men for similar work | 0.78                      |                 |

Sources: [SalaryExplorer](#), [Tradeeconomics.com](#), and [World Bank](#)

Figure 2 below visualises the wage trend in the manufacturing sector. The wages were on a steady increase, but since 2015 it flattened, which is most likely due to the impact of economic downturn. The inflation in consumer prices slightly widened the gap from the real wages to nominal wages. It affected workers' income purchasing power negatively. Furthermore, there was a significantly deepening gap to the wages' US\$ value by a devaluation of the dinar that increased the cost of imported goods.

**Figure 2: Trend in wage in the manufacturing sector in Algeria, Algerian dinar (DZD) and US\$, 2010-2017**



Source: [Tradeeconomics.com](#)

The wage system has experienced changes with a slowdown in permanent employment and a rise in temporary employment. Public service wages are fixed according to a national grid, based on the value of index points. Bonuses are added to salaries, according to the sector, following negotiations with the unionised workers. In the public economic enterprises, salaries are based on negotiations between the company management and the workers' union. Wages in the private sector depend on negotiations between trade unions and employers. It is worthwhile to mention that around 95% of enterprises are small- and medium-level in the private sector, which have absence of unionism and not negotiating collective bargaining agreements.<sup>45</sup>

The Labour Ministry registered 853 labour inspectors in 2017, which equals one inspector per around 12,500 of the total employment (or one per 8,600 employees). ILO is concerned that the relation exceeds one inspector per 20,000 workers in transition economies.<sup>46</sup> The ILO Committee on the Application of Standards argues that the labour inspectorate in Algeria must be given the necessary means to function effectively and independently, and it shall also be placed under the supervision and control of a central authority.

The standard workweek is 40 hours, including one hour for lunch per day. Employees who worked longer than the standard workweek received premium pay on a sliding scale from 1½ to 2 times, depending on whether the overtime occurred on a normal workday, a weekend, or a holiday. In informal economy these regulations are not applied due to lack of awareness or incentives. Working relationship exists with written or verbal contracts. In the case of a verbal agreement, the contract is permanent. If the contract is written, it can be either permanent or temporary. The minimum age to go into a working

relationship is 16 years old. The country does not provide a legal definition of valid reasons for collective redundancies, i.e. workforce reductions are not considered a collective process but a measure of simultaneous individual dismissals for economic reasons. See more in Table 9. In 2018, the country banned women working in public sector from wearing full-face veils, also known as niqabs.

**Table 9: Status of Working Conditions in Algeria**

|  |          |
|--|----------|
| Fixed-term contracts prohibited for permanent tasks  | Yes      |
| Maximum length of a single fixed-term contract (months)  | No limit |
| Standard workday   | 8 hours  |
| Premium for night work (% of hourly pay)   | 0%       |
| Premium for work overtime work (% of hourly pay)   | 50%      |
| Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days) | 22 days  |
| Paid leave of at least 14 weeks available to women having children                             | Yes      |
| Receive 100% of wages on maternity leave   | Yes      |
| Five fully paid days of sick leave a year  | No       |
| Unemployment protection after one year of employment *   | No       |

Source: [World Bank, Doing Business, Labor Market Regulation](#) and [World Bank, Women: Business and the Law, Algeria](#)

A variety of legislative documents govern occupational safety and health (OSH), the most important ones being the Labour Code, Law No. 88-07 on Hygiene, Safety and Occupational Medicine, and Decree No. 05-09 relative to the joint committees with the workers on hygiene and safety. Specific decrees relate to hazards at the workplace. The overriding principle is protection of workers and the environment from all types of hazards, with a special focus on the role of OSH committees at the workplace. Migrant workers are included while domestic workers are excluded from the scope of application of the Labour Law. Special provisions apply to domestic workers and home workers.

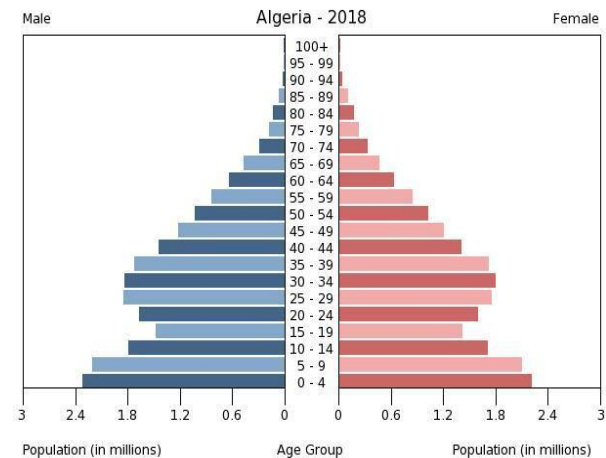
Training for employees within committees must be conducted and shall last a minimum of five days. The laws are general with an overriding focus on the prevention of occupational diseases and accidents.<sup>47</sup> According to the labour regulations, if workers are dismissed for removing themselves from hazardous working conditions, they may renegotiate their contract or, failing that, resort to the courts. In practice, regulations are not fully enforced due to widespread informality and inadequate inspections that excuse employers applying them. Labour standards do not protect economic migrants from sub-Saharan Africa and elsewhere, working in the country without legal immigration status, which makes them vulnerable to exploitation. The law

does not adequately cover migrant workers employed primarily in construction or as domestic workers.<sup>48</sup>

## WORKFORCE

The total population in Algeria was estimated at 41.7 million in 2018. The country went through a fertility transition: the traditional family model dropped by 64% in the total fertility rate in recent decades, from 6.8 in 1980 to 2.4 in 2006. It was an impact of government support for investment in population control or family planning along with a decline in farming where families need more manpower, and because more women acceded to higher education, putting off both marriage and giving birth to children. However, at the end of the 2000s, a significant rise in the birth rate was in progress in the country: the fertility rate jumped from 2.4 children per woman in 2006 to 3.1 children in 2017, coinciding with economic difficulties resulting from declining state revenues from oil exports. It points towards a future youth bulge. An impact of these changed fertility trends is visualised in Figure 3 below.

**Figure 3: Population pyramid based on the Age-Sex structure of the population in Algeria**



Source: [CIA, The World Factbook, Algeria](#)

Based on the latest national Employment Household Survey from 2014, the working-age population (aged 15 and over) or potential labour force is estimated at 28.1 million persons, or 71% of the total resident population of the country. The economically inactive working population was estimated at 59% of the total working age population. As illustrated in this profile, employment has significant disparities by sex, place of residence and level of education. The economically inactive population on the labour market aged 15 and above is estimated at 16.7 million, women make up 71%.<sup>49</sup> Other updated estimations of the employment-



to-population ratio illustrate both a significant gender gap that favours men as well as a significantly lower rate than the Northern Africa averages on all levels (see Table 10).

**Table 10: Estimations of employment-to-population ratio in Algeria and Northern Africa, Age and Sex distribution, 2020**

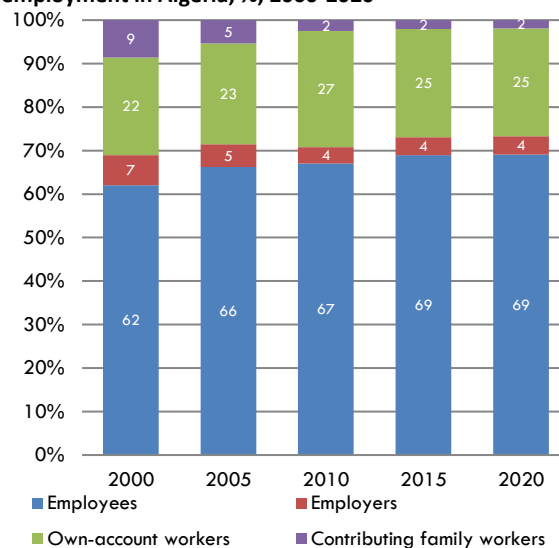
| Sex   | Age   |       | Algeria | Northern Africa |
|-------|-------|-------|---------|-----------------|
| Total | Total | 15+   | 36%     | 41%             |
|       | Youth | 15-24 | 17%     | 20%             |
| Men   | Total | 15+   | 60%     | 65%             |
|       | Youth | 15-24 | 29%     | 31%             |
| Women | Total | 15+   | 12%     | 17%             |
|       | Youth | 15-24 | 4.2%    | 9.2%            |

Source: ILO, *Key Indicators of the Labour Market (KILM)*

Figure 4 below outlines that the structural transformation of the status of employment in Algeria has only changed on the margin during the last two decades. Employees (i.e. those who get a basic remuneration, not directly dependent on the revenue of the employer) have experienced a slight increase of 7 percentage points from 2000 to projected 69% of the total employment in 2020. This segment is more represented in the formal sector and the trend suggests that recent formal job creation has been sparse. It is worthwhile to mention that the employees' rate is slightly higher than the Northern Africa average rate that stands at 62%. Own-account workers (i.e. those who hold self-employment jobs and do not engage 'employees' continuously) represent 25% in 2020 and fell by the margin by 2 percentage points from 2010.

Contributing family workers (i.e. who hold self-employment jobs in an establishment operated by a related person, with a too limited degree of involvement in its operation to be considered a partner) exemplify just 2% of the total employment with a flat growth during the 2010s. Both own-employment workers and contribution family workers are gathered as 'vulnerable employment' and consist of 27% of the total employment force. This segment is less likely to have formal work arrangements and are often characterised by inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights.<sup>50</sup>

**Figure 4: Estimations and projections of status of employment in Algeria, %, 2000-2020**



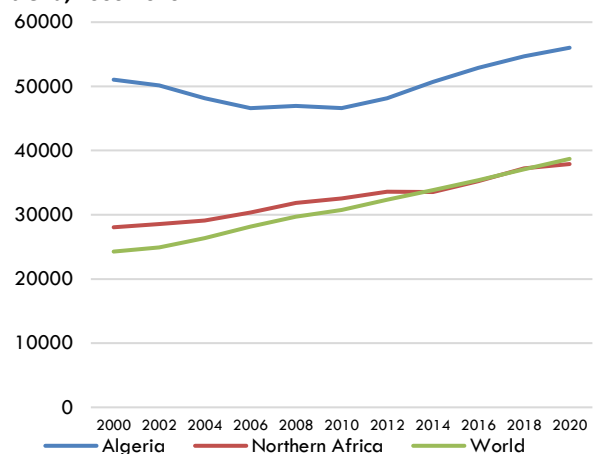
Source: ILO, *Key Indicators of the Labour Market (KILM)*

Several other aspects characterised the employment landscape. For example, micro, small and medium enterprises (MSMEs) are widespread: (micro (1-9 worker/s), small (10-49 workers), medium (50-250 workers)). MSMEs are dominated by micro enterprises: around 95% of all MSMEs are micro enterprises and the remaining 5% are small and medium enterprises; totally comprising 99% of the country's total enterprises. Algerian SMEs have a strong presence in the service sector and account for nearly half of all SMEs, followed by the building, construction, and hydraulic sector.<sup>51</sup> Around 18% of total employment operate in MSME and basically in private enterprises.<sup>52</sup> Micro enterprises most often operate in informality and are thus challenged by following the labour and business regulations.

Mismatch in employment is also present in Algeria, which is reflected in a higher unemployment rate among higher educated than lower educated people (see more ahead). Public institutions are facing productive challenges at a structural level. In addition, the government has maintained a policy of importing skilled foreign workers. On the other hand, based on estimations, the country's labour productivity reverted a declining rate from the 2000s to an upsurge in the 2010s. It furthermore has a widening gap to Northern Africa and world averages (Figure 5). The drop in the labour productivity in the 2000s was due to weak performance in the hydrocarbons sector, a downturn in the manufacturing sector and high unemployment. Studies also revealed that the increasing labour productivity in the 2010s was more the result of an increase in production factors (i.e. workforce) than of labour

productivity growth, which was very limited. The agriculture sector has experienced strong productivity gains.<sup>53</sup>

**Figure 5: Estimations and projects of the labour productivity trend, 2000-2020**



Note: Labour productivity is defined as output per worker (GDP constant 2011 international \$ in Purchasing Power Parity (PPP))

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

## Unemployment

Unemployment is a central challenge in Algeria. According to the latest national employment household survey from 2014, the unemployment rate was estimated at 11% with a gender gap of 7.9 percentage points (men of 9.2%, women of 17%), and a slight gap from urban zones of 8.9% and 11% in rural areas. The youth unemployment rate was much higher at 30% at the age of 16-19 and 24% at 20-24. The results of the survey showed that unemployment particularly affected the more educated group. It has been a result of mismatches between labour market demands and education supplies. First, the private sector has not been able to create enough demand for skilled workers. Second, the distribution of Algerian students was unbalanced towards disciplines such as humanities, social sciences, law and education, while there was an undersupply of mechanical and technical skills in the private sector (see also Education sector).<sup>54</sup> The job creation in the private sector has furthermore been marred by a rigid business environment (see also Appendix Table 25).

Estimations point towards an unemployment rate at 12% and youth unemployment at 30% in 2020. The country's unemployment rates are in line with the Northern Africa average, except concerning the women youth segment with a gap of 8 percentage points for Algerian women (see Table 11).

**Table 11: Estimations of unemployment and underutilisation in Algeria and Northern Africa, 2020**

| Type               |       | Algeria | Northern Africa |
|--------------------|-------|---------|-----------------|
| Unemployment       | Total | 12%     | 12%             |
|                    | Men   | 10%     | 8.9%            |
|                    | Women | 21%     | 21%             |
| Youth Unemployment | Total | 30%     | 30%             |
|                    | Men   | 26%     | 26%             |
|                    | Women | 48%     | 40%             |
| Underutilisation * | Total | 21%     | 20%             |
|                    | Men   | 17%     | 15%             |
|                    | Women | 38%     | 35%             |

\* This measurement captures groups of the population that, in one way or another, do not have enough access to employment (i.e. work for pay or profit).

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

From 2010 to 2020, the unemployment trends indicate that the unemployment rate and the youth unemployment rate have increased by 1.5 percentage points and 8.0 percentage points, respectively. It has signalled more difficulty to tackle the reduction of unemployment due to insufficient job creation. Besides, the ratio of youth unemployment to overall unemployment has steadily increased. A study revealed that the relatively low elasticity for youth employment is one of the main factors behind the still high-level of youth unemployment, and that labour market imperfections play an important role in the low employment intensity of growth.<sup>55</sup> A high unemployment rate trend is challenging the country to reach the Sustainable Development Goal in terms of unemployment (see more in SDG table, Indicator 8.5.2, at Page iv).

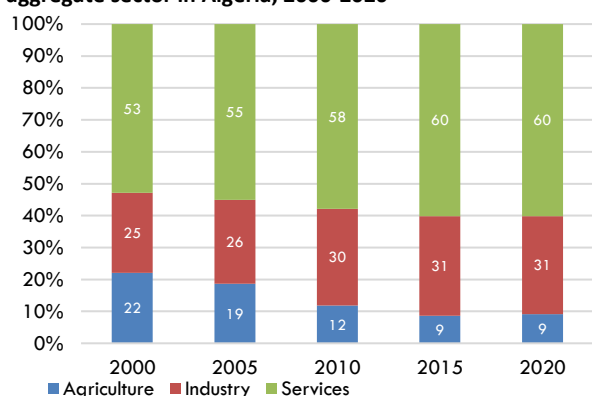
Algeria is implementing labour market programmes through the National Employment Agency (ANEM) and the Social Development Agency (ADS). ANEM's mission of providing job intermediation service is its main activity to support young people looking for a job. ADS' mission was originally aimed at reducing poverty by providing a social safety net following the implementation of the structural adjustment programme in the 1990s. A study argued that the programmes did not address the underlying problems of the economy and its job creation capacity, which was also reflected in the just mentioned unemployment rate trend.<sup>56</sup>

## Sectoral Employment

Some structural changes are reflected in the aggregate employment per sector during the last two decades. Based on estimations, the agricultural sector dropped by 13 percentage points from 2000 to 2015 reaching 9%, and on a flat growth to 2020. The change moved

towards both the service sector and the industry sector, but it has been on the margin in the 2010s (Figure 6).

**Figure 6: Estimations and projections of employment by aggregate sector in Algeria, 2000-2020**



Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Some of the main issues reflecting the sectoral employment are, first, women's share of total employment is low at 16% and a majority is in the manufacturing sector and the public administration, education, and health sector. Second, the latter mentioned sector is furthermore the largest one (32%, 3.5 million workers) followed by wholesale, restaurants, and hotels (15%, 1.7 million workers). Third, the agricultural sector represents less than one out of ten workers (9.2%, 1 million persons). See more details in Table 12. Comparative data from 2010 reflect only minor changes on the margin in all sectors.

**Table 12: Distribution of employment population per sector in Algeria, 2019**

| Sector                                      | Total employment  | Employment share per sector | Women share per sector |
|---|-------------------|-----------------------------|------------------------|
| Agriculture                                 | 998,770           | 9.2%                        | 5.4%                   |
| Mining & quarrying                          | 66,151            | 0.6%                        | 3.5%                   |
| Manufacturing                               | 1,236,262         | 11%                         | 28%                    |
| Electricity, gas & water                    | 146,399           | 1.3%                        | 7.4%                   |
| Construction                                | 1,879,335         | 17%                         | 1.5%                   |
| Wholesale, restaurants & hotels             | 1,663,532         | 15%                         | 4.0%                   |
| Transport, storage & communication          | 668,015           | 6.2%                        | 6.2%                   |
| Finance, real estate & business services    | 305,812           | 2.8%                        | 26%                    |
| Public administration, education and health | 3,457,196         | 32%                         | 28%                    |
| Other sources *                             | 425,101           | 3.9%                        | 40%                    |
| <b>Total</b>                                | <b>10,846,574</b> | <b>100%</b>                 | <b>16%</b>             |

\* Other services activities, households as employers, activities of households for own use, extraterritorial organisations.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

A way to measure the strength of the interaction between economy and labour market is the employment per worker relative to the Gross Domestic Product (GDP). These values are diverging between sub-sectors. For example, the public administration, education and health sector has the highest share of employment (32%) with a GDP share of 17%, which suggests a low-slung employment intensity. The sector contributes GDP per worker per year of US\$14,614, which is significantly higher than the manufacturing sector, wholesale, restaurant and hotel sector and agricultural sector. The mining sector has the highest GDP value added per worker linked to capital-intensive investments. It employs just 0.6% of total employment, which suggests a GDP share per worker - extremely high - of US\$176,533. The GDP share per sector trend illustrates substantial changes. However, it is mainly because the mining sector plummeted down from 49% in 2008 to 20% in 2016 due to drops in international oil prices (revisit Economic Performance section).

The country's industry sector was affected negatively by the fast liberalisation of the domestic market to international competition in the 1990s. The domestic industry employed around 250,000 people in the 1990s, at the end of the decade production was seen to shrink dramatically down to 10,000 people. Nevertheless, as demonstrated in Figure 5 above, Algeria is boosting its domestic production and moves the economy away from reliance on oil and gas. It means replacing industrial imports with local production. Employment in the industry sector, which is mainly in construction (17%) and manufacturing (11%), has only experienced changes on the margin, though. Although the manufacturing sector has a low GDP share (4.8%) and has improved only slightly by 0.9% from 2008 to 2016, the country has developed products such as electronic goods and cement; and numerous projects in the domains of petrochemicals, steel and textiles are also under way.

The construction sector experienced a slight upsurge in employment by 1.0 percentage point during the last decade, and the GDP share has increased by 3.6 percentage points. It was mainly related to reshuffling of GDP share value per sector in the aftermath of the plunged mining sector. It points towards the fact that the country is challenged to reach the SDG target of a sustainable industrialisation (see SDG table, Indicator 9.2.2, at Page iv). More details of GDP share by sector are available in Table 13 below.



**Table 13: GDP share by sector and GDP share per worker in Algeria, 2016**

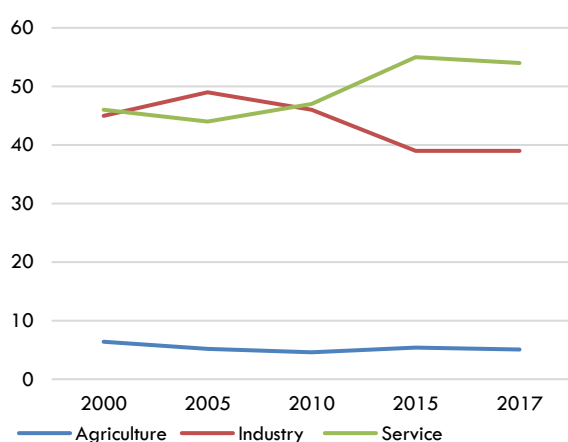
| Sector                                      | GDP share by sector, | GDP share by sector trend, p.p., 2008-2016 *** | GDP share per worker per year, US\$ |
|---|----------------------|--|-------------------------------------|
| Agriculture                                 | 13%                  | + 6.0 p.p.                                     | 4,484                               |
| Mining & quarrying                          | 20%                  | - 29 p.p.                                      | 176,533                             |
| Manufacturing                               | 4.8%                 | + 0.9 p.p.                                     | 4,924                               |
| Electricity, gas & water                    | 1.1%                 | + 0.2 p.p.                                     | 43,389                              |
| Construction                                | 12%                  | + 3.6 p.p.                                     | 21,197                              |
| Wholesale, restaurants & hotels             | 16%                  | + 5.0 p.p.                                     | 5,976                               |
| Transport, storage & communication          | 11%                  | + 3.0 p.p.                                     | 14,451                              |
| Finance, real estate & business services    | 2.9%                 | + 1.0 p.p.                                     | 5,322                               |
| Public administration and defence, security | 17%                  | + 7.8 p.p.                                     | 14,614                              |
| Other services *                            | 1.4%                 | + 0.4 p.p.                                     | 2,356                               |
| Total                                       | 100%                 | N/a  | 9,565 **                            |

\* Other services activities, households as employers, activities of households for own use, extraterritorial organisations.

\*\* Mean average. \*\*\* Percentage point (p.p.).

Source: [African Development Bank](#) and own estimations on the US\$ GDP share per worker.

Figure 7 shows that the agricultural sector has a low contribution to the economy that stood on a flat rate in GDP share close to 5% during the last two decades. It diverges somewhat from data in Table 13 above, which is related to different databanks. The industry sector plummeted during the 2000s and in the beginning of the 2010s but has in recent years reached a flat growth at 39%. Instead, the service sector has experienced an opposing trend compared with the industry sector reaching a GDP share of 54% in 2017.

**Figure 7: Aggregate sector share in Algeria, % of GDP, 2000-2017**

Source: [World Bank, World Development Indicators](#)

## Informal Economy

Informal economy is widespread in Algeria. The evolution of informal employment in non-agriculture peaked in 2010 by 47% and has gone down to around 37% during the period 2012 to 2014. Based on the latest national labour force survey from 2014, the evolution of informal employment in absolute terms between 2001 and 2010 grew much faster compared to formal employment. In fact, the number of informal workers increased from 1,648,000 to 3,921,000. The segment has in other words more than doubled (138%) in the space of 10 years, while formal employment has grown only by 43%.

On the other hand, during the period 2010 to 2014, the number of informal employees decreased by 404,000 workers, which was a drop of 10%. In contrast, the number in formal employment increased by 24% in the same period (see more in Table 14 and Figure 8).

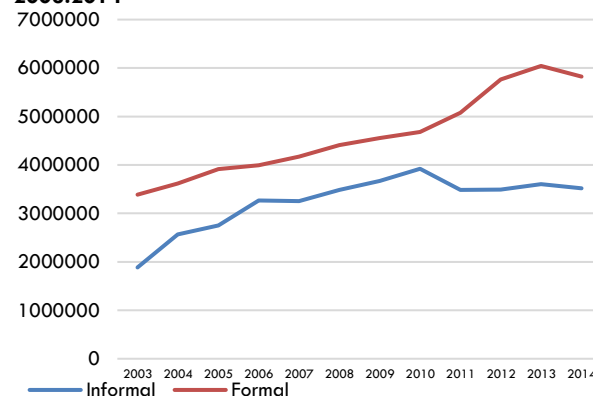
**Table 14: Employment in informal economy in Algeria, %**

|   |            |
|---|------------|
| Informal economy's share of GDP                             | 40% *      |
| Informal employment in non-agriculture (2014)               | 38%        |
| Change in informal employment in non-agriculture, 2001-2014 | + 4.2 p.p. |
| Vulnerable employment ** (2019)                             | 27%        |
| Change in vulnerable employment, 2010-2019                  | - 2.0 p.p. |

\* Based on various evaluations of its actual contribution to the creation of wealth; there is no direct survey on the informal economy to date.

\*\* Own-employment workers and contribution family workers.

Source: [ONS, Enquete Emploi Aupres des Menages 2014](#) and [ILO, Key Indicators of the Labour Market \(KILM\)](#) and [Assafir Al-Arabi](#)

**Figure 8: Evolution of formal and informal employment rate, 2003-2014**

Source: [ONS, Enquete Emploi Aupres des Menages 2014](#)

The demonstrated data are supported by an evaluation of the impact of the Action Plan for Promoting Employment and Combating Unemployment on

Employment Informality from 2017 adopted by the government in 2008. Results show that the Action Plan did reduce the number of workers employed informally, but only in enterprises with at least 10 workers. In spite of the existence of various incentives for the recruitment of new jobseekers, the impact of the plan for newly recruited workers proved statistically insignificant.<sup>57</sup> To adjust to lower oil prices in recent years, the government has focused on reducing spending, mostly by freezing government wages and hiring. It suggests that employment in the informal economy is on a rise along with the unemployment rate.

Generally, informal employment is related to economic transactions outside of labour regulations or state supervision. In Algeria, informal employment is defined as activities that are not declared to the social security system, which is a legal obligation. This definition has deficiencies to international standard, making it complicated to compare the statistical informal employment data with other countries.

The share of jobs covered by social security benefits rose from 48% of total employment in 2004 to 58% in 2013. This formalisation of employment occurred in the context of the public sector being the main job maker, creating nearly four times as many jobs as the private sector between 2009 and 2013. Public sector employment grew from 34% of total employment in 2004 to 41% in 2014, creating mostly fixed-term jobs, whereas the private sector has created few jobs, most of them informal.<sup>58</sup> Despite several attempts of facilitating the integration of unregulated workers in the formal sector, the success is so far not fully achieved. Other broader estimations from 2017 outlined that 6.2 million people were not registered in social security, while 4.7 million benefitted from social coverage. Thus, non-affiliated workers covered 57% of workers. It suggests a downturn in the social security coverage. It is supported by the increasing unemployment rate trend during the 2010s and the challenge of downturn in revenues from hydrocarbons export in the 2010s that stalled job creation in the public sector.

Having high barriers to market entry in Algeria also explains why many work in the informal economy, e.g. there are major obstacles by firms to formalise firms, especially for micro and small enterprises. Informal jobs are often hazardous and precarious with narrow access to social protection such as health, old-age pension and unemployment protection schemes, and, instead, a vast majority must find an income to survive (see more in Social Protection and Economic Performance sections).

A selection of national laws and regulations related to the informal economy in Algeria are summarised below:<sup>59</sup>

- Executive Decree No. 13-140 of 10 April 2013 determining the conditions for the exercise of itinerant commercial activities.
- Presidential Decree No. 11-133 of 22 March 2011 on the provision of microcredit.
- Executive Decree No. 10-101 of 29 March 2010 on the creation, organization and functioning of the National Employment Promotion Commission.
- Executive Decree No. 05-212 of 8 June 2005 on the creation, composition and functioning of the National Observatory of Employment and Poverty Alleviation.
- Executive Decree No. 97-474 of 8 December 1997 determining the special regime of employment relations for domestic workers.

A Tri-partite National Informal Economy Forum and other national forums addressing the status of informal economy workers are not registered in Algeria.

### Migration

Migration is an important issue in the labour market in Algeria and it is present in three aspects: i) internal migration (rural-urban/urbanisation), ii) in-migration (immigration) and out-migration (emigration), and iii) refugees.

The flow in employment in the agricultural sector has been on a declining trend during the last two decades (revisit Figure 6) which has supported some rural-urban migration as well as a rise in the urbanisation rate from 65% in 2007 to 72% in 2017. It has created pressure on the demand for formal jobs in the industry and service sectors.

The net migration trend has changed during the last three decades (Figure 9). Previously, out-migration was almost exclusively to France. During the 1990s and the beginning of the 2000s, the growing (negative) net migration rate evolved. Around 500,000 people left the country. A large proportion of out-migration was involved in asylum with diversified destinations away from France. In the beginning of the 2000s, Algeria experienced some in-migration (immigration) flow, but still on a high out-flow. During the 2010s, the in-migration flow was further curtailing the out-migration surge. It has especially been challenged by the influx of irregular

migrants from sub-Saharan Africa and a progressive return of migrants of Algerian nationals.

Personal remittances – personal transfers and compensation of employees in transfers between resident and non-resident individuals – are not an important part of Algeria's GDP (Table 15). One reason is the generous subsidies policy curbs remittances dependency. Taking into consideration the widespread informality of the economy, it suggests an underestimation of the real personal remittances GDP value added.

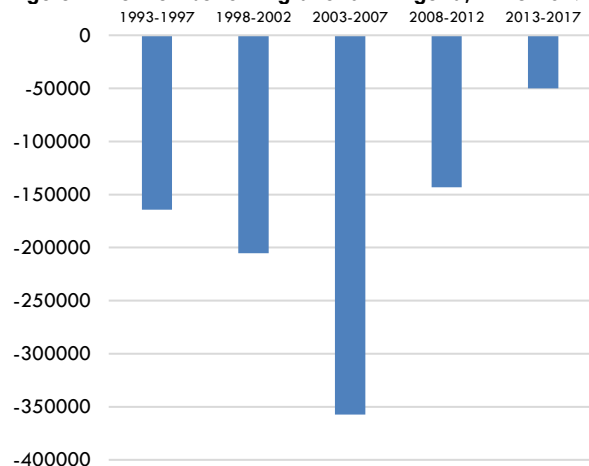
**Table 15: Migration Facts in Algeria**

|  |         |                    |
|--|---------|--------------------|
| Net number in migration (2012-2017)                          | Algeria | - 50,002 *         |
| Net migration rate   | Algeria | -0.76 **<br>(2015) |
|  |         | -2.07 **<br>(2010) |
| Personal remittances received, % of GDP (2014-2018, average) | Algeria | 1.1%               |
|  | MENA    | 2.0%               |

\* Net migration is the net total of migrants during a period of five years; the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. \*\* Net number of migrants per 1,000 of the population.

Source: [World Bank, World Development Indicators](#) and [KNOEMA](#)

**Figure 9: Net number of migrations in Algeria, 1993-2017**



Source: [World Bank, World Development Indicators](#)

The country has gradually become a migration destination. High unemployment has triggered discontent among Algerians towards irregular migrants. Based on estimations, between 25,000 to 100,000 undocumented migrants – mainly from Mali, Niger and Burkina Faso – live in Algeria. They are mainly in the agricultural sector or construction industry. The country has ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families from 2004. However, legislation addresses

undocumented migration as a security concern and as illegal in the country. In recent years, thousands of undocumented migrants were repatriated, or forcibly deported, from Algeria to other neighbouring countries. For example, in the aftermath of the Algerian-Nigerien agreement from 2014, 28,000 Nigeriens returned to their home country as part of a voluntary program.<sup>60</sup> Later in 2016, close to 4,000 foreign workers were found not to have a work permit. Most foreign workers in an irregular situation are Chinese (46%), Turkish (10%) or from sub-Saharan Africa (9.2%).<sup>61</sup>

A four-decade long unresolved political conflict with humanitarian consequences in Western Sahara has resulted in an estimated 90,000 Sahrawi refugees. They live in five camps in south-west Algeria with little access to outside resources, making aid essential to their survival. The country lacks an asylum law. The camps offer almost no employment opportunities and refugees are dependent on remittances and international aid. Young people in the camps are becoming more and more frustrated by the lack of opportunities or change due to the political stalemate in Western Sahara.<sup>62</sup> It is worthwhile to mention that also 11,412 people from Algeria have fled in 2018 and applied for asylum in other countries. This situation corresponds to approximately 0.03% of all residents. Most destination countries have been France, Spain, and the Netherlands. Overall, 95% of the asylum applications have been rejected. The most successful countries accepting refugees are Canada and the United States.<sup>63</sup>

In recent years, the government has put attention on the recent emigration pattern of skilled and highly skilled migration by consolidating the ties with the Algerian community abroad and finding new policies and instruments that will allow its involvement in the socio-economic development of the country.

Foreign workers can work in Algeria provided they receive a work permit at the national employment agency. Applications for resident cards must be submitted to the local police station. As salaried workers, they have access to trade unions and collective bargaining, social security and pension entitlement, health, safety, and medical services, strikes, among others.

There are 29 certified private employment agencies (PEAs) operating in the country and they are not authorised to mediate jobseekers abroad, to place foreign jobseekers in employment in Algeria, or to employ workers with a view to making them available to

a third party. PEAs are authorised only to provide services consisting of matching offers of and applications for employment. The current draft labour bill clarifies how certified PEAs may engage by including services to be offered by temporary work agencies (TWAs), by facilitating the employment of part-time and unemployed workers and by enabling the user enterprise to meet temporary demands for labour.

### Child Labour

Child labour in Algeria (4.8%) – i.e. the employment of children in an industry or business, especially when illegal or considered exploitative – does not appear to be widespread, but almost double as high as the Arab States average (2.9%) (Table 16). Arab States region has the lowest child labour rate in the world. Algeria has not determined, by national law or regulation, the types of hazardous work prohibited for children under 18.

**Table 16: Status of child labour rate in age group 5-17 in Algeria and Arab States**

| Region                | Level          | Proportion |
|-----------------------|----------------|------------|
| Algeria (2012)        | Child labour   | 4.8%       |
|                       | Hazardous work | N/a        |
| Arab States (2012-15) | Child labour   | 2.9%       |
|                       | Hazardous work | 1.5%       |

Source: [ILO, SDG Labour Market Indicators](#) and [ILO, Global estimates of child labour: Results and trends, 2012-2016](#)

Child labour is frequently present in informal sales of goods, often in family businesses, sorting garbage, and agricultural work. There are no data available on the hazardous work and no lists exist defining hazardous work, but such a list has been commenced.

Legislation prohibits employment by minors in dangerous, unhealthy or harmful work, or in work considered inappropriate because of social and religious considerations. The minimum legal age for employment is 16, but younger children may work as apprentices with permission from their parents or legal guardian. The law prohibits workers under the age of 19 from working at night. The Ministry of Labour conducted inspections and, in some cases, investigated companies suspected of hiring underage workers.<sup>64</sup>

The low child labour rate is shadowing other facts. For example, many children fail to complete their education. Most of those dropping out of education end up in informal employment or as economically inactive on the labour market. Likewise, the management of vocational

training has operated with limitations; it only accommodates children aged 15 to 16. This implies that a large majority constitute potential child workers.

### Gender

Since the early 1990s, the labour market experienced an increase in the amount of economically active women: from 1990 to 2010, the working women more than tripled. However, comparing to their men counterparts, the employment rate among women stays very low. The country also went through a quiet revolution of women's rapidly rising educational attainment (see also Education section). Together, these two aspects are a phenomenon that is part of the "MENA paradox" (i.e. rising educational attainment, yet low or even stagnant women workforce participation rate).

Women have emerged as an economic and political force - unheard of in the rest of the Arab world during the 2000s. The prevalence rate of women compared to men is high in the positions as lawyers (70%), judges (60%) and in the medicine business. In the MENA region, women have a low public profile, but in Algeria they are more visible everywhere. They are starting to drive buses and taxicabs. They pump gas and wait on tables.<sup>65</sup> According to a study on discrimination in hiring in Algeria, it appears that women can be favoured relative to men on the basis of their presumed acceptance of lower wages than is expected by recruiters, which in turn entrenches women into the least qualified positions. Wage discrimination against women is also a potential explanation of recruiter preferences for women candidates.<sup>66</sup>

Policies to increase women's involvement in the economy have increased opportunities in the public sector for educated women into paid jobs in large numbers, driven by the increased educational attainment rate. Due to the economic downturn, and a slowdown in the growth of public sector employment during the 2010s, employment opportunities were curtailed. It especially changed in opportunity structures for educated women. Generally, the participation rate dropped for both men and women, and especially the youth experienced an increase in unemployment, particularly for women. It clearly shows a deterioration of the employment opportunities available. Studies show that the decline in public sector jobs was compensated weakly by an increase in wage employment in the private sector.<sup>67</sup> The decline in the probability of public sector employment for women with higher education is associated with either an increase in

unemployment or a decline in participation (see more in Table 17 ahead).

Women's relatively low labour force participation rate is upheld by a multitude of complex, notably sociocultural, factors. For example, parts of the population do not consider that women who perform unpaid home-based activities, such as agricultural, livestock, textile, and clothing sectors, are part of the workforce. It is associated to gender-related meanings and practices of *ajr* (i.e. reward from Allah), which reduces women as domestic, not employed, not paid and not professional. It puts weight on tradition or certain family constraints that restrict women's work and travel opportunities. For the same reason, many young women often have little contact with the world outside their family circle and are also less well informed and less prepared for entrepreneurial life. Families are often more inclined to provide moral and financial support to men for enterprise-creation projects.<sup>68</sup>

Cultural mechanism in gender stereotypes is also prevalent concerning married women for whom private wage employment is difficult to reconcile with their familial responsibilities. It places many women with unpaid work in the household, including child- and eldercare. These chores bring more labour constraints for women who face time trade-offs on income-related activities. Table 17 below provides an overview of the gender gaps on key employment indicators.

**Table 17: Estimation on workforce key indicators gender gaps in Algeria, 2020**

|                           | Men  | Women | Gender gap, percentage point (p.p.) |
|---------------------------|------|-------|-------------------------------------|
| Employment                | 60%  | 12%   | 48 p.p.                             |
| Unemployment              | 8.9% | 21%   | -11 p.p.                            |
| Labour underutilisation * | 17%  | 38%   | -21 p.p.                            |
| Employees                 | 68%  | 74%   | -6 p.p.                             |
| Vulnerable employment **  | 27%  | 24%   | 3 p.p.                              |

\* Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. Imputed observations are not based on national data, are subject to high uncertainty and should not be used for country comparisons or rankings.

\*\* Aggregated own-account workers and contributing family workers.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The Gender Inequality Index – measuring health, empowerment and economic status – ranked Algeria 100 out of 189 countries (1 is highest).<sup>69</sup> What keeps this medium ranking is related to the deep gender gap in the

workforce participation rate and women with a relatively high maternal mortality ratio.

There is scarce information on child marriages in Algeria, but estimations suggest around 3% of girls are married before their 18<sup>th</sup> birthday. The most recent available data suggest that child marriages are decreasing in Algeria.<sup>70</sup> In Algeria, women have a free choice of partner, but families on both sides still play an important role in the decision. The relatively low child marriage rate has benefited the high educational attainment.

Algeria's Constitution enshrines the principle of non-discrimination based on sex and requires the state to take positive action to ensure equality of rights and duties of all citizens. In 2016, the parliament approved a policy that attempted to attain the parity between women and men in the job market and the government encourages the promotion of women to positions of responsibility in public institutions and businesses. In addition, in 2015, the parliament adopted amendments to the penal code criminalising some forms of domestic violence. Assault against a spouse or former spouse can be punished by up to 20 years in prison. The amendments also criminalise sexual harassment in public places. However, legislation still have flaws to protect women who could benefit from more comprehensive legal measures, such as protection orders to protect women from violence and concrete duties on law enforcement to respond to domestic violence, needed to prevent domestic violence, assist survivors, and prosecute offenders. The law, moreover, makes women vulnerable to threats from the offender or relatives, by including a provision that a pardon by the victim puts an end to prosecution.<sup>71</sup>

Another aspect of the marginalisation of women is the lack of access to divorce and child custody. An adult woman still requires a male guardian to conclude her marriage contract, a requirement not imposed on men. A man can divorce unilaterally, while a woman must apply to the courts. If a woman wishes to divorce without her husband's consent and without justification, she needs to pay back her dowry, or an equivalent amount of money, to her husband in return for the divorce. This is particularly problematic, as the code does not recognise marital property provisions that value women's non-monetary contributions to the marriage at the time of termination.



## Youth

Algeria's youth population is challenged by insufficient opportunities. The economic downturn during the 2010s has stalled the solution of one of the long-standing structural problems: the high youth unemployment rate, particularly among women and graduates. The lack of job creation has created frustration among the youth in recent years. Demonstrations and protests even intensified in a new wave of young activists who proposed to change the country's leadership during 2019. Generally, the participation of young people to social and political spheres of public life remains low, though.

Lack of enough jobs in the formal sector, which includes skills mismatch in the private sector, are forcing many into informal economy. This segment is often exposed to precarious working conditions such as low wages, unstable employment, no social security, or health insurance and dangerous environments.

The young population, aged 15-29, represent a quarter of the country's population (the group aged 15-24 covers 18%). This segment is overall educated, with 99% either having been educated or currently in the education system. A very large number have a high academic level; 41% of males and 59% of females in universities and higher education institutions (see more in the Education section).

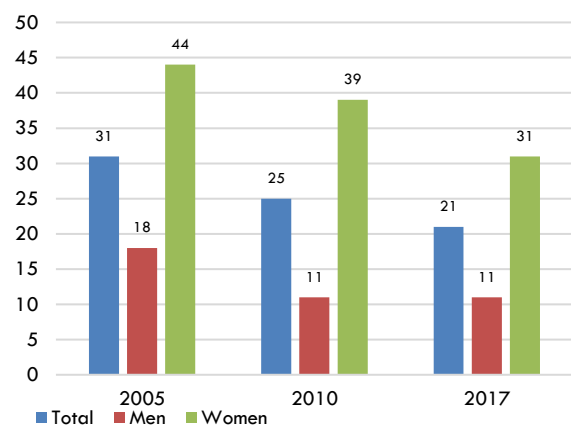
Studies have noted that there is no government policy dealing with either youth concerns or ambitions as no local or national youth council exists.<sup>72</sup> In 2013, the government announced the first national youth forum. However, the result for the forum has not been available.

Various regulations are involving the youth. For example, the Constitution provides the right to universal free education up to 16 years of age. The National Service Code states that 18 months of national service is mandatory for all males over 19 years of age. Not to mention, the Ministry of Youth and Sport has Directorates in each of the provinces that are responsible for local youth centres, youth hostels, village halls, youth camps and sport facilities. The Ministry of Employment & Social Security and the Ministry of National Solidarity both offer programmes and incentives supporting the hiring of school and university graduates.<sup>73</sup>

The NEET rate (i.e. youth not in employment, education or training) provides information on the transition from education to work and focuses on the number of young people who find themselves disengaged from both

education and the labour market. Data reveal that the Algerian youth is getting more interested in entering the labour market and education system, especially women. The high total NEET rate was on a declining trend at 10 percentage points in the period from 2005 to 2017, reaching 21%. This indicator has a deep gender gap that favours men by 20 percentage points. However, Algerian women's NEET rate has been on a sharp declining rate (see Figure 10). In contrast, the country's NEET rates are significantly lower in comparison to the Northern Africa averages, e.g. percentage point gap of 6% among total youth. The declining NEET rate is related to the rising high school enrolment rates (see Figure 11 ahead). Overall, it points towards a country moving towards the Sustainable Development Goal target by 2020, to substantially reduce the proportion of youth NEET (see SDG Table, Indicator 8.6.1, on Page iv). Be as it may, the NEET rate for women could still benefit from a faster reduction.

**Figure 10: Share of youth not in employment, education or training (NEET) in Algeria, %, 2005-2017**



Note: The share of the NEET rate as a percentage of the total youth population.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

## EDUCATION

Algeria's education system has experienced both upturns and downturns in the last decades. The adult (+15) literacy rate increased from 50% in 1987 to 80% in 2015, which is at medium level in comparison to the neighbouring countries such as Tunisia (81%), Libya (91%), and Morocco (72%) – much higher than the sub-Saharan Africa neighbouring countries: Niger (19%), Mali (33%) and Mauritius (52%). Other data show that the number of children out of school has fallen from 100,344 in 2008 to 21,362 in 2018. This upsurge of the literacy rate benefitted from reforms of the education system in the 1970s that ensured free education at all levels in all public establishments for all Algerians.

Education is compulsory for all girls and boys aged between 6 and 16.

After 132 years of French colonial rule, independence in 1962 gave tailwind to an Algerian nationalism movement free from Western influence and increased Arabisation. Schools became a political strategic zone and the education system went through reforms. During the 2000s, an openness and privatisation phase started, which was controversial.<sup>74</sup> The government furthermore began to move schools from learning – which was to some extent related to religious learning – to critical thinking.

There are around 63,000 teaching staff in Algeria. At both the primary and secondary level, private education is relatively underdeveloped, with only approximately 100,000 students (1%) attending around 380 nationally accredited private education institutions. The authorities recently approved private universities, and nine private higher education institutions had been officially recognised per August 2018.

Table 18 below exemplifies that employment by primary or less education level fell to 6.8% in 2017. There were basically no changes in employment by basic and intermediate education during the period 2010-2017, reaching 53% and 23%, respectively. Employment by advanced education was on a rise by 5 percentage points during the same period, peaking at 18%.

**Table 18: Employment by education in Algeria, % of employment distribution, 15-64 age, %, 2010-2017**

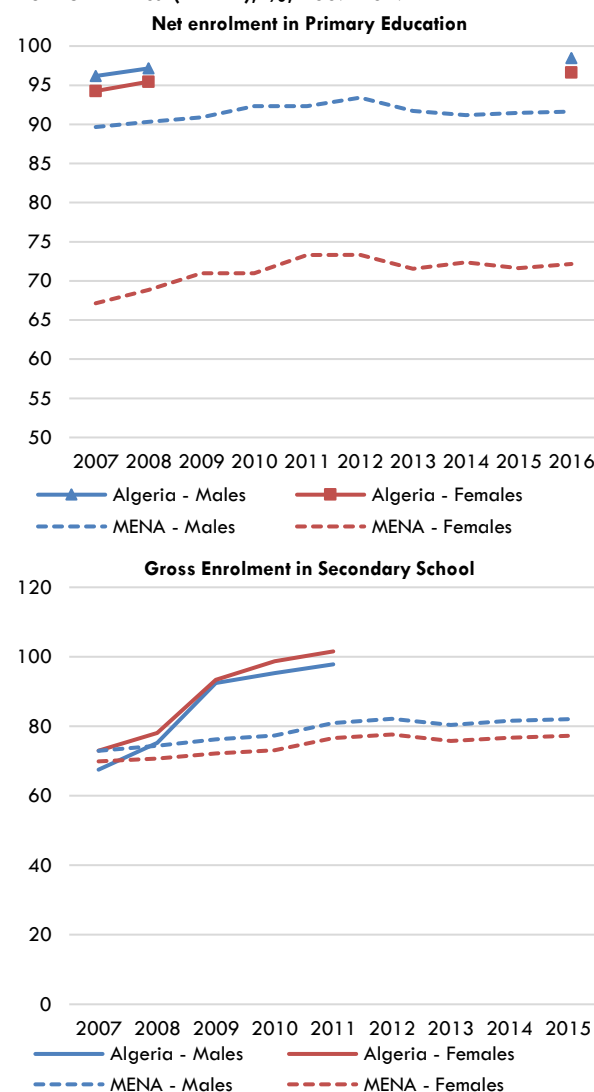
|        | Less than basic | Basic   | Intermediate | Advanced |
|--------|-----------------|---------|--------------|----------|
| 2010   | 12%             | 54%     | 23%          | 12%      |
| 2017   | 6.8%            | 53%     | 23%          | 18%      |
| Change | -5.2 p.p.       | -1 p.p. | 0 p.p.       | +5 p.p.  |

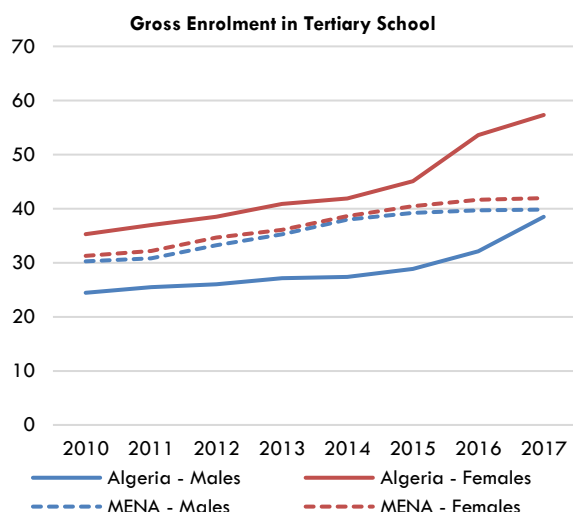
Source: ILO, *Key Indicators of the Labour Market (KILM)* based on national figures.

There are nearly 9.3 million students enrolled across more than 27,000 educational establishments. Figure 11 pictures that the net enrolment rate in primary schools has stayed very high for both males and females in Algeria, hovering far above the Middle East and Northern Africa average rates. It is noteworthy to mention that the net enrolment rate among females is 25 percentage points higher than the region average. Based on limitations on data availability, the country’s gross enrolment rates in secondary school level is likewise hovering above the regional average and a gender gap favouring females was initiated. Secondary school level shows that the passage rate of the baccalaureate rose significantly

from a success rate of 32% in 2000 to 56% in 2018. The gross enrolment in tertiary education level progressed significantly during the last decade with a strong gender gap favouring females; Algerian males are positioned lower than the region’s average. Currently, the higher education system oversees 1.7m students across 106 institutions, including 50 universities, 13 university centres and 43 additional establishments.

**Figure 11: Enrolment in primary, secondary, and tertiary education, males and female, Algeria and Middle East & Northern Africa (MENA), %, 2007-2017**





Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age. Gross enrolment can therefore be higher than 100%, but with tertiary or university education, the age of the pupils is more diverse.

Source: [World Bank, Education Statistics](#)

Despite economic downturn in recent years causing budgetary contractions, education has been prioritised. However, studies have argued that the quality of public education in Algeria remains below average results in international standardised tests for other emerging economies. Up to 400,000 children drop out of school annually, and only 250,000 go on to professional training, e.g. vocational training. These school dropouts are especially high in rural areas because of the remoteness of schools, poverty, and classrooms not being sufficiently equipped with electricity, water, heating, toilets, and school medical healthcare. The country was placed 119 out of 140 countries in terms of quality of education in the UNESCO Global Education Monitoring Report 2017.

Some programmes specifically target children, such as the Allowance for School Children (*Allocation Spéciale de Scolarité*), which pays DZD 3,000 (US\$38) at the beginning of every school year to particularly vulnerable children to ensure school attendance. Three million schoolchildren benefited from the allowance in 2013. It is complemented by the *Bourse Scolaire*, which supports access to education for children at primary, middle and secondary level and those enrolled at a boarding school with tuition fee waivers. The National Scholarship Programme (*Bourse Nationale*) supports access to higher education by disbursing a conditional cash transfer to secondary school graduates of low-income families. Furthermore, the Ministry of Education runs a national school feeding programme (*Cantine Scolaire*), which

provided meals, to about 3.3 million students in 2013-2014. The poorest and most vulnerable children are also provided with free textbooks (*Manuel Scolaire*), with 4.4 million children covered each year.<sup>75</sup>

The economic downturn since 2014 froze the hiring of employees in most areas in the public sector, but the education sector has succeeded in pushing through a series of recruitment waves. The Ministry of Higher Education and Scientific Research succeeded by additional 3,000 supervising teachers in 2018/19, bringing the total to nearly 63,000. However, the Ministry of National Education (MNE) recruitment fell from last year's 28,000 teachers down to 11,487 teaching and administrative positions for the 2018/19 school year.<sup>76</sup>

Teachers have demanded improved wages and pension plans. During the recruitment wave, organised teachers in trade unions have gained collective bargaining power. According to MNE, 67% of union concerns had been addressed, 11% were in the process of negotiation and 21% were outside the MNE jurisdiction.

### Vocational Training

The government considers vocational training as one of its central strategies in combatting youth unemployment. The Technical and Vocational Education and Training (TVET) sector possesses a vast network of facilities and training institutions offering courses that lead to qualifications and diplomas covering a wide range of specialised fields. It has different types and levels of qualification. In this system, close to 50/50 are from public and private sectors, which includes partnership and associations taking the form of framework agreements and specific local agreements. The sector offered 400,000 posts across 478 specialisations in 2018. The MNE has focused on diversifying and expanding its establishments to the extent that the 2018/19 cycle demonstrated an addition of 54 new specialisations and 67 new establishments for vocational training.<sup>77</sup>

Algeria has a relatively high public expenditure on vocational training in comparison to other African countries.<sup>78</sup> Nevertheless, growing enrolment in the TVET has stalled in Algeria, which is similar in the Middle East and Northern Africa average, increasing by just 5% and 9%, respectively, during the period 2011-2017/18. TVET is male dominated (see more in Table 19).



**Table 19: Status of Vocational Training in Algeria and Middle East & Northern Africa (MENA)**

|  |         |         |
|--|---------|---------|
| Enrolment in secondary vocational training (2018)                                  | Algeria | 400,000 |
| Pupils in vocational training growth, % (2011-2017/18)                             | Algeria | 5%      |
|  | MENA    | 9%      |
| Vocational pupils (% women) (2011)   | Algeria | 34%     |
|  | MENA    | 39%     |
| Ratio of pupils in vocational training to all pupils in secondary education (2011) | Algeria | 9.1%    |
|  | MENA    | 11%     |

Source: [Oxford Business Group](#) and own calculations on per cent value based on data from [World Bank, Education Statistics](#).

An evaluation of the Algerian TVET system argues that there is some loss of prestige for vocational training in the country, a stagnation in the classification of the fields of study and a high concentration of trainees in a small number of branches. The sector suffers from the low level of training provided and from inadequate internal and external outputs. Although the number of TVET graduates has increased, the attrition rate (i.e. employee or staff turnover) has remained high (14%). Moreover, the integration rate for graduates from other sectors was just about 15%. The root causes of these factors are the teachers' low qualification level - only 27% of them are specialised vocational education teachers coupled with the deterioration in the student-teacher ratio due to a lack of teachers (40% of positions were filled by temporary staff).

It is registered in Algeria that 17% of formal firms are offering training programmes for their permanent, full-time employees (ranking 121 out of 143 countries; 1 is best) – which is much lower than the neighbouring countries Tunisia (79) and Morocco (87).<sup>79</sup> Often small informal enterprises cannot afford to offer long-term vocational training schemes. In practice, the TVET system is, to a large degree, neglecting the training needs in the informal economy and is not geared to approach this segment's needs of for instance short-term courses. Put in other words, many of the training offers are supply-driven, not based on market assessments and only duplicate formal sector training at deficient levels.<sup>80</sup>

## SOCIAL PROTECTION

Algeria has a well-developed social insurance system, but overall social protection remains challenged by imbalances: widespread informality reduces its coverage among workers; there are geographical disparities between North and South regions, inequalities between

the public and private sector, and gender-based discrimination.<sup>81</sup>

Table 20 below provides an overview of the social protection coverage. Legal coverage of old-age pension in Algeria is 100%, but, in practice, just 64% of elder persons were receiving the pension in 2010. Data suggest it is down to 59% (51% in contributory pension + 8% social pension; 41% no pension) in 2018.<sup>82</sup> On the other hand, the country has the highest coverage in Northern Africa, e.g. Libya of 43%, Morocco of 40%, Egypt of 38%, Tunisia of 34%, and Sudan of 4.6%.<sup>83</sup> Active contributors to a pension scheme in the working-age population (15-64) was quite low at 20% in 2015 of a deep gender gap of 22 percentage points (men of 31%; women of 8.3%). This contribution is significantly lower than Tunisia's rate at 47% and Egypt's at 29%. These aspects challenge the country's SDG target to implement nationally appropriate social protection systems and measures for all, as well as by 2030 to achieve substantial coverage of the poor and the vulnerable (see SDG Table, Indicator 1.3.1, on Page iv).

**Table 20: Proportion of population covered by social protection floors/systems in Algeria, %**

| Indicators   | Value     |
|--|-----------|
| Persons above retirement age receiving a pension (2010)                                  | 64%       |
| Growth in persons above retirement age receiving a pension, 2000-2010                    | 14 p.p. * |
| Persons with severe disabilities collecting disability social protection benefits (2016) | 3.6%      |
| Mothers with new-borns receiving maternity benefits (2016)                               | 11%       |
| Unemployed who receive benefits (2015)   | 0.1%      |

\* Percentage point (p.p.)

Source: [ILO, SDG labour market indicators](#)

The country has a compulsory contribution social insurance system from both public and private formal sector workers. The government requires employers to declare their employees to the Ministry of Labour and to pay social security benefits: it is the employer's obligation to contribute 26% of the employee gross salary (employer contribution) and 9% of gross salary (employee contribution). The social security contributions cover retirement, illness, unemployment, and work accidents.

Table 9 above on Status of Working Conditions in Algeria showed that unemployment protection after one year of employment is not available. Nevertheless, severance pay requirements are available but relatively modest. Severance payments have been set at a

minimum of one month's wages for each year of tenure, up to a maximum of six months of salary. Data suggest that employers pay laid-off workers on average three months of salary. Algeria had a more modest system than Morocco and Tunisia, but within the MENA region only Algeria had a functioning unemployment insurance system in which formal sector workers and employers participate through a mandatory payroll tax.<sup>84</sup>

To broaden the social security schemes, the government allowed informal workers to gain credit for social security and retirement benefits for time spent in the informal economy if they repay any taxes owed after registering. It is set in a flexible payment system: e.g. self-employed individuals need to sign up to social security schemes.

Algeria's social protection system also operates with non-contributory branches. It consists of social transfers and welfare services for the most vulnerable segments of the population and specific groups such as students and people with disabilities. Non-contributory schemes also include several education-related programmes such as scholarships and school feeding schemes, as well as employment promotion programmes for young people. The government also subsidises food and energy.

The largest social protection scheme is the Solidarity Allowance (*Allocation Forfaitaire de Solidarité*), an unconditional cash transfer (UCT) programme for the most vulnerable members of society. This programme covered 831,452 people in 2016. Target groups include households without income and people with disabilities. Beneficiary households receive DZD 3,000 per month (US\$26) and an additional DZD 120 (US\$1) per dependent household member. Benefits can be claimed for a maximum of three persons. In recent years, the downturn in hydrocarbon revenues is challenging the financial sustainability of social programmes and subsidies.

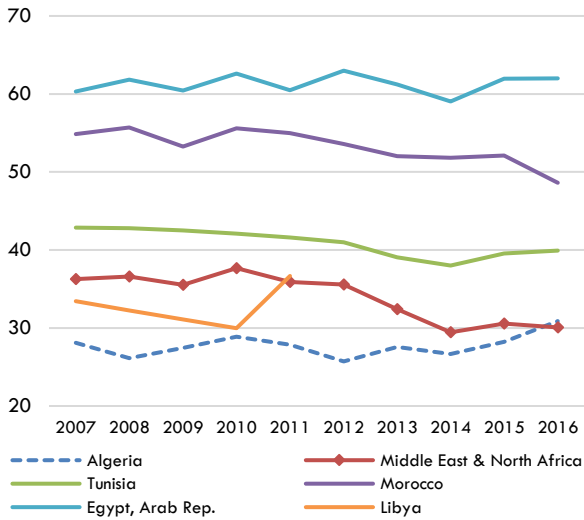
Other public works programmes are implemented. First, the Intervention for Social Inclusion (*Dispositif d'Activité d'Insertion Sociale* (DAIS)) aims at promoting the inclusion of poor and vulnerable populations. The programme offers temporary work opportunities in community development projects. In 2016, over 371,495 people participated in the programme, receiving DZD 6,000 per month (US\$55). Second, the Labour-Intensive Public Works (*Travaux d'Utilité Publique à Haute Intensité de Main d'Oeuvre* (TUP-HIMO)) offers temporary jobs to maintain and rehabilitate public infrastructure. The programme targets provinces with high unemployment rates and infrastructure deficits. Third, the White Algeria

(*Blanche Algérie*) programme has the twin aims of supporting unemployed people and improving public infrastructure. Combined with the TUP-HIMO, the programme reached 22,206 people per year on average between 2010 and 2015. Forth, UCT is disbursed to individuals who suffered personal injuries during the Movement for National Identity and the Promotion of Citizenship programme. The child-sensitive component of this scheme allows for beneficiaries with children and no other income to receive a cash transfer that is 25% higher than the statutory amount.<sup>85</sup>

There are several other programmes: people with disabilities and without income can receive up to DZD 4,000 per month (US\$34) through the Programme for the Protection and Promotion of Persons with Disabilities (*Programme pour la Protection et Promotion des Personnes Handicapées*). In 2014, the programme benefited 469,000 people. The government also runs a social housing programme to eradicate slums and enable low-income families to access housing. Studies argue that active labour market programmes may have positive effects on individuals but may have zero or negative effects on the economy. Such effects include deadweight losses, a substitution effect about subsidised wages or even a displacement effect.<sup>86</sup>

Despite a limitation of data availability, the Algerian population without legal health coverage was 15% in 2005: 8.9% in urban areas and 27% in rural areas. This is much lower than the neighbouring countries - Morocco with 58%, Egypt with 49%, Tunisia with 20% and Sudan with 70%.<sup>87</sup> Current health expenditures increased on the margin during the 2010s, with a slight downturn in 2016 reaching 6.6% of GDP, which is 1.0-percentage point higher than the Middle East and Northern Africa average (5.6%). If this calculation lapses into current health expenditure per capita (current US\$), it is much lower in Algeria of US\$260 in 2016 versus the region's average of US\$438, respectively. Figure 12 below visualizes that out-of-pocket health expenditure with a trend of slightly upsurge since 2012 but stayed below 30%; now it stays in line with the region's average rate. The country is staying far below relatively to the other neighbouring countries' out-of-pocket health expenditure.

**Figure 12: Out-of-pocket expenditure, % of current health expenditure, 2007-2016**



Note: Out-of-pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and

suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: [World Bank, World Development Indicators](#)

## APPENDIX: ADDITIONAL DATA

**Table 21: List of Registered Trade Unions in Algeria, 2018**

| No | Organisation   | Registered year |
|----|--|-----------------|
| 1  | General Union of Algerian Workers (UGTA)   | 1990            |
| 2  | Syndicat national autonome des personnels de l'administration publique (SNAPAP)                | 1990            |
| 3  | Syndicat national des inspecteurs du travail (SNAIT)   | -               |
| 4  | Union nationale des personnels de l'éducation et de la formation (UNPEF)                       | 1992            |
| 5  | Syndicat autonome des travailleurs de l'éducation et de la formation (SATEF)                   | 1991            |
| 6  | Syndicat national des travailleurs de l'éducation (SNTE)                                       | 2000            |
| 7  | Conseil national autonome des professeurs de l'enseignement secondaire et technique (CNAPESTE) | 2007            |
| 8  | Syndicat national autonome des professeurs de l'enseignement secondaire et technique (SNAPEST) | 2007            |
| 9  | Conseil des enseignants des lycées algériens (CLA/CELA)  | 2013            |
| 10 | Syndicat national des corps communs des professionnels de l'éducation nationale (SNCCOPEN)     | 2013            |
| 11 | Syndicat national autonome des professeurs de l'enseignement primaire (SNAPEP)                 | 2013            |
| 12 | Syndicat des travailleurs de l'éducation, de l'enseignement et de la formation (STEEF)         | 1990            |
| 13 | Syndicat national des personnels de l'intendance de l'éducation (SNPIE)                        | 1991            |
| 14 | Syndicat national autonome de l'orientation scolaire et professionnelle (SNAOSP)               | 1991            |
| 15 | Syndicat autonome des fonctionnaires des impôts (SAFI)   | 1991            |
| 16 | Syndicat national des magistrats de la Cour des Comptes (SNMCC)                                | 1996            |
| 17 | Syndicat national des praticiens de la santé publique (SNPSP)                                  | 1991            |
| 18 | Syndicat national des chirurgiens-dentistes de santé publique (SNCDSP)                         | 1993            |
| 19 | Syndicat national des professeurs d'enseignement paramédical (SNPEPM)                          | 1996            |
| 20 | Syndicat national des médecins généralistes de santé publique (SNMG SP)                        | 2001            |
| 21 | Syndicat national algérien des psychologues (SNAPSY)   | 2004            |
| 22 | Syndicat algérien des paramédicaux (SAP)   | 2004            |
| 23 | Syndicat national des praticiens spécialistes de la santé publique (SNPSSP)                    | 1993            |
| 24 | Syndicat des gestionnaires de la santé (SGS)   | 2000            |
| 25 | Syndicat autonome des gestionnaires des établissements de santé publique (SAGESP)              | 1991            |
| 26 | Syndicat national des gestionnaires de la santé (SNGS)   | 1991            |
| 27 | Confédération syndicale des forces productives (COSYFOP)                                       | 1990            |
| 28 | Syndicat national des travailleurs de la santé (SNTS)  | 1990            |
| 29 | Syndicat des pilotes de lignes algériens (SPLA)  | 1990            |
| 30 | Syndicat national des personnels de la circulation aérienne (SNPCA)                            | 1991            |
| 31 | Syndicat national des techniciens de la maintenance avions (SNTMA)                             | 1992            |
| 32 | Syndicat national des électroniciens et des électrotechniciens de la sécurité aérienne (SNESA) | 1993            |
| 33 | Syndicat national du personnel navigant commercial algérien (SNPNCA)                           | 1993            |
| 34 | Syndicat national des transports algériens (SNTA)  | 1995            |
| 35 | Syndicat national du secteur des transports ferroviaires (SNSTF)                               | 1991            |
| 36 | Syndicat national du personnel au sol d'Air Algérie (SNPS Air Algérie)                         | 2000            |
| 37 | Syndicat national des Officiers de la Marine marchande (SNOMMAR)                               | 2003            |
| 38 | Groupement syndical des architectes (GSA)  | 1992            |
| 39 | Syndicat autonome des personnels des Affaires Étrangères (SAPAE)                               | 1990            |
| 40 | Conseil national des enseignants du supérieur (CNES)   | 1992            |

|    |  |      |
|----|--|------|
| 41 | Syndicat national des travailleurs de la formation professionnelle (SNTFP)   | 2012 |
| 42 | Syndicat autonome du Patrimoine archéologique historique et muséal (SAPAHM)  | 1991 |
| 43 | Syndicat des journalistes de la télévision (SJT)   | 1990 |
| 44 | Syndicat national autonome des journalistes et assimilés de l'APS (SNAJAAPS)   | 1992 |
| 45 | Syndicat national des journalistes algériens (SNJA)  | 1999 |
| 46 | Organisation nationale des journalistes sportifs algériens (ONJSA)   | 2009 |
| 47 | Syndicat national autonome des postiers (SNA)  | 1990 |
| 48 | Syndicat national du secteur des industries (SNSI)   | 1990 |
| 49 | Syndicat national du secteur ammoniac / engrais (SNSA)   | 1991 |
| 50 | Syndicat des travailleurs du textile (STT)   | 1991 |
| 51 | Syndicat national des travailleurs de l'électricité et du gaz (syndicat dissous volontairement) (SNATEGS)              | 2013 |
| 52 | Syndicat National du secteur de la Commercialisation et de la Distribution des Produits Pétroliers (SNSCDPP)           | 1991 |
| 53 | Syndicat Autonome des Travailleurs de KANAGHAZ (SAT/KANAGHAZ)  | 1991 |
| 54 | Syndicat National de l'Ingénierie (SNI)  | 1993 |
| 55 | Syndicat Autonome des Travailleurs du Pétrole (SATP)   | 1990 |
| 56 | Syndicat national des magistrats (SNM)   | 1990 |
| 57 | Syndicat national : Union des magistrats algériens (UMA)   | 1991 |
| 58 | Syndicat national des greffiers (SNG)  | 1990 |
| 59 | Syndicat national des vétérinaires fonctionnaires de l'administration publique (SNVFAP)                                | 2004 |
| 60 | Syndicat national de l'Office algérien interprofessionnel des céréales (SNOAIC)  | 1990 |
| 61 | Syndicat national des cadres de la Mutualité agricole (SNCM)   | 1993 |
| 62 | Syndicat national des travailleurs de la Protection civile (SNTPC)   | 1990 |
| 63 | Conseil national autonome des Imams et des fonctionnaires du secteur des affaires religieuses et des Wakfs (CNAIFSARW) | 2013 |
| 64 | Syndicat national des enseignants chercheurs hospitalo-universitaires (SNECHU)   | 2011 |
| 65 | Syndicat national des gestionnaires salariés des entreprises publiques locales (SNAGEPL)                               | 1994 |
| 66 | Syndicat national des travailleurs de l'énergie (SNT Energie)  | 2000 |

Source: [La Presse Médicale](#)

**Table 22: List of Employers' organisations in Algeria**

| No. | Organisations  |
|-----|--|
| 1   | Confédération Algérienne du Patronat (CAP)   |
| 2   | Confédération Générale des Entrepreneurs et Opérateurs Algériens (CGEOA)               |
| 3   | Confédération Nationale du Patronat Algérien (CNPA)                                    |
| 4   | Confédération des Industriels (CIPA)   |
| 5   | Union Nationale des Entrepreneurs Publics (UNEP)                                       |
| 6   | Forum des Chefs d'Entreprises (FCE)  |
| 7   | Conseil Supérieur du Patronat Algérien (CSPA)  |
| 8   | Association des Industriels du Matériel Electrique (AIMEL)                             |
| 9   | Club des Entrepreneurs et des Industriels de la Mitidja (CEIMI)                        |
| 10  | Association Professionnelle des Industriels de la Vallée du M'ZAB (APIVM)              |
| 11  | Association Nationale des Entrepreneurs dans les Carrières et les Mines (ANECAM)       |
| 12  | Association Nationale des Industriels de la Céramique (ANICER)                         |
| 13  | Union Nationale des Industries Agro Alimentaires (UNIDA)                               |
| 14  | Association Nationale pour l'Entreprise et le Travail (NOOR)                           |
| 15  | Association Algérienne des Fonderies (AAF)   |
| 16  | Association Régionale pour le Développement de l'Entreprise (ARDE)                     |
| 17  | Association Algérienne pour la Promotion de l'Industrie (PROMI)                        |
| 18  | Association Algérienne pour la Création et la Promotion de l'Entreprise (ACPE)         |
| 19  | Association des Editeurs Algériens (AEA)   |
| 20  | Cabinet d'Affaires Conseil (ACE)   |
| 21  | Association Nationale des Exportateurs Algériens (ANEXAL)                              |
| 22  | Association des Femmes Chefs d'Entreprise (SEVE)                                       |
| 23  | Association pour la Promotion de l'Eco efficacité et la Qualité en Entreprise (APEQUE) |
| 24  | Association des Femmes Algériennes pour le Développement (AFAD)                        |
| 25  | Association Parfumerie et Cosmétique (APCC)  |
| 26  | Association des Fabricants de Colle Peintures Vernis et Encres (ACPVE)                 |
| 27  | Association des Briquetiers Algériens (ABA)  |
| 28  | Algérien Business Forum (ABF)  |
| 29  | Association des industriels et Investisseurs de la Wilaya de Khenchla (JASSIM)         |
| 30  | Union Professionnelle des Industries Automobiles et Mécaniques (UPIAM)                 |
| 31  | Association des Producteurs et Exploitants de liège (APEL)                             |
| 32  | Confédération Générale des Entreprises Algériennes (CGEA)                              |
| 33  | Fédération Nationale des Travailleurs des Textiles – Cuir – Habillement                |
| 34  | Union Générale des Entrepreneurs Algériens (UGEA)                                      |
| 35  | Fédération Nationale des Cuir et Peaux   |

Note: The table misses eight out of 43 employers' organisations due to lack of data.

Source: [Direction Générale de la Veille Stratégique, des Etudes Economiques et des Statistiques](#) and [Economie Algérie - Blog Yazid OUADA](#)

**Table 23: Labour market related national legislations approved in Algeria, 2016-2018**

| Type / Year   | Legislation   |
|---|---|
| <b>2014</b>   |   |
| General provisions  | Décret exécutif n° 14-116 du 24 mars 2014 portant création, missions, organisation et fonctionnement de la Caisse de solidarité et de garantie des collectivités locales.   |
|   | Loi n° 14-03 du 24 février 2014 relative aux titres et documents de voyage.   |
|   | Loi n° 14-01 du 4 février 2014 modifiant et complétant l'ordonnance n° 66-156 du 8 juin 1966 portant code pénal.  |
| Equality of opportunity and treatment                                 | Arrêté interministériel du 13 mars 2014 fixant les modalités d'ouverture de classes spéciales pour enfants handicapés au sein des établissements d'éducation et d'enseignement publics relevant du secteur de l'éducation nationale.  |
| Labour administration   | Arrêté interministériel du 24 décembre 2014 fixant les modalités d'organisation, la durée ainsi que le contenu du programme de la formation complémentaire préalable à la promotion au grade d'inspecteur principal du travail.   |
|   | Décret exécutif n° 14-353 du 9 décembre 2014 fixant les attributions du Ministre de la Jeunesse.  |
|   | Décret exécutif n° 14-354 du 9 décembre 2014 portant organisation de l'administration centrale du ministère de la jeunesse.   |
|   | Décret exécutif n° 14-193 du 3 juillet 2014 fixant les attributions du directeur général de la Fonction publique et de la réforme administrative.   |
|   | Décret exécutif n° 14-194 du 3 juillet 2014 portant organisation de la direction générale de la Fonction publique et de la réforme administrative.  |
| Employment policy, promotion of employment and employment services    | Décret exécutif n° 14-246 du 30 août 2014 modifiant et complétant le décret exécutif n° 04-14 du 22 janvier 2004 portant création et fixant les statuts de l'Agence nationale de gestion du micro-crédit. -   |
|   | Décret exécutif n° 14-214 du 30 juillet 2014 fixant les modalités inhérentes à la réservation des postes de travail, à la détermination de la contribution financière et à l'octroi de subventions pour l'aménagement et l'équipement des postes de travail pour les personnes handicapées. |
|   | Décret exécutif n° 14-204 du 15 juillet 2014 définissant les handicaps suivant leur nature et leur degré.   |
| Education, vocational guidance and training                           | Décret présidentiel n° 14-196 du 6 juillet 2014 portant organisation et gestion de la formation et du perfectionnement à l'étranger.  |
|   | Décret exécutif n° 14-140 du 20 avril 2014 fixant le statut-type des centres de formation professionnelle et de l'apprentissage.  |
|   | Décret exécutif n° 14-98 du 4 mars 2014 fixant les règles d'organisation et de fonctionnement des directions de wilaya de la formation et de l'enseignement professionnels.   |
|   | Décret exécutif n° 14-81 du 20 février 2014 modifiant le décret exécutif n° 91-519 du 22 décembre 1991 portant application des dispositions de la loi n° 81-07 du 27 juin 1981 relative à l'apprentissage.  |
|   | Décret exécutif n° 14-85 du 20 février 2014 modifiant le décret exécutif n° 13-306 du 31 août 2013 portant organisation des stages pratiques et en milieu professionnel à l'intention des étudiants.  |
| Social security (general standards)                                   | Arrêté du 8 mai 2014 modifiant et complétant l'arrêté du 13 juillet 1999 portant création, organisation et fonctionnement du comité national de protection et de bien-être des personnes âgées.   |
| Seafarers   | Arrêté du 20 mars 2014 fixant les conditions et les modalités d'organisation des examens professionnels en vue de l'obtention des brevets et certificats de la marine marchande.  |
| Specific categories of workers  | Loi n° 14-05 du 24 février 2014 portant loi minière.  |
| International agreements  | Mémoire d'entente de coopération entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République arabe d'Egypte dans le domaine de la formation professionnelle, signé au Caire, le 13 novembre 2014. 2014.                                 |
| <b>2015</b>   |   |
| General provisions  | Loi n° 15-19 du 30 décembre 2015 modifiant et complétant l'ordonnance n° 66-156 du 8 juin 1966 portant Code pénal.  |
|   | Loi n° 15-20 du 30 décembre 2015 modifiant et complétant l'ordonnance n° 75-59 du 26 septembre 1975 portant Code de commerce.   |
|   | Décret présidentiel n° 15-247 16 septembre 2015 portant réglementation des marchés publics et des délégations de service public.  |
|   | Ordonnance n° 15-02 du 23 juillet 2015 modifiant et complétant l'ordonnance n° 66-155 du 8 juin 1966 portant Code de procédure pénale   |
| Elimination of child labour, protection of children and young persons | Loi n° 15-12 du 15 juillet 2015 relative à la protection de l'enfant.   |
| Equality of opportunity and treatment                                 | Décret exécutif n° 15-81 du 8 mars 2015 modifiant et complétant le décret exécutif n° 06-421 du 22 novembre 2006 portant création du Conseil national de la famille et de la femme.   |
| Labour administration   | Arrêté interministériel du 10 septembre 2015 fixant l'organisation de l'administration centrale du ministère de la solidarité nationale, de la famille et de la condition de la femme en bureaux  |
| Employment policy, promotion of employment and employment services    | Arrêté du 22 décembre 2015 fixant la composition, l'organisation et le fonctionnement de la commission d'éligibilité de wilaya, ainsi que les critères de sélection des organismes d'accueil et des bénéficiaires du dispositif d'activités d'insertion sociale.                            |
|   | Arrêté du 22 décembre 2015 fixant le modèle-type de convention établie entre la Direction de l'action sociale et de la solidarité de wilaya et l'organisme d'accueil au profit des bénéficiaires du dispositif d'activités d'insertion sociale.   |
|   | Arrêté du 22 décembre 2015 fixant la composition, l'organisation et le fonctionnement de la commission d'éligibilité de wilaya, ainsi que les critères de sélection des organismes d'accueil et des bénéficiaires du dispositif d'insertion sociale des jeunes diplômés.                    |
|   | Arrêté du 22 décembre 2015 fixant le modèle de contrat-type d'insertion sociale des bénéficiaires du dispositif d'insertion sociale des jeunes diplômés.  |
|   | Décret exécutif n° 15-156 du 16 juin 2015 modifiant et complétant le décret exécutif n° 03-290 du 6 septembre 2003 fixant les conditions et le niveau d'aide apportée aux jeunes promoteurs.  |



|   |   |
|---|---|
| Education, vocational guidance and training                           | Arrêté interministériel du 11 juin 2015 portant organisation des directions de wilaya de la formation et de l'enseignement professionnels.  |
|   | Arrêté du 24 février 2015 modifiant l'arrêté du 21 janvier 2015 portant nature et modalités d'évaluation, de contrôle et de programmation des stages pratiques et en milieu professionnel à l'intention des étudiants.  |
|   | Arrêté du 21 janvier 2015 portant nature et modalités d'évaluation, de contrôle et de programmation des stages pratiques et en milieu professionnel à l'intention des étudiants.  |
| Conditions of employment  | Décret exécutif n° 15-177 du 6 juillet 2015 complétant le décret exécutif n° 15-59 du 8 février 2015 fixant les éléments constitutifs du salaire minimum garanti.   |
|   | Décret exécutif n° 15-59 du 8 février 2015 fixant les éléments constitutifs du salaire national minimum garanti.  |
|   | Arrêté du 1er février 2015 modifiant et complétant l'arrêté du 24 juillet 2008 fixant les modèles de contrats d'insertion, de contrats de formation-emploi et de contrats de travail aidé.  |
| Occupational safety and health  | Arrêté du 10 novembre 2015 fixant les règles d'optimisation et les niveaux indicatifs pour les expositions médicales à l'intention des professionnels de la santé.  |
|   | Arrêté du 10 novembre 2015 relatif à la surveillance médicale des travailleurs exposés aux rayonnements ionisants.  |
| Social security (general standards)                                   | Décret exécutif n° 15-289 du 14 novembre 2015 relatif à la sécurité sociale des personnes non-salariées exerçant une activité pour leur propre compte. -  |
|   | Décret exécutif n° 15-236 du 3 septembre 2015 modifiant le décret exécutif n° 94-187 du 6 juillet 1994 fixant la répartition du taux de la cotisation de sécurité sociale.  |
|   | Décret exécutif n° 15-155 du 16 juin 2015 modifiant et complétant le décret exécutif n° 92-07 du 4 janvier 1992 portant statut juridique des caisses de sécurité sociale et organisation administrative et financière de la sécurité sociale.   |
|   | Loi n° 15-05 du 1er février 2015 modifiant et complétant la loi n° 83-11 du 2 juillet 1983 relative aux assurances sociales.  |
|   | Arrêté 15 janvier 2015 fixant l'organisation interne de la Caisse nationale de sécurité sociale des non-salariés.   |
|   | Loi n° 15-02 du 4 janvier 2015 relative aux mutuelles sociales.   |
| Seafarers   | Arrêté interministériel du 28 octobre 2015 relatif à la composition de la ration journalière de la nourriture fournie aux gens de mer ainsi que le système du contrôle des provisions, des vivres, de l'eau de tous les locaux et équipements utilisés pour l'emmagasinage et la manipulation des denrées alimentaires, la cuisine et les installations utilisées pour le service des repas à bord des navires. |
|   | Décret exécutif n° 15-235 du 29 août 2015 modifiant et complétant le décret exécutif n° 90-166 du 2 juin 1990 portant statut-type des écoles techniques de formation et d'instruction maritimes.  |
|   | Décret exécutif n° 15-08 du 14 janvier 2015 modifiant et complétant le décret exécutif n° 06-08 du 9 janvier 2006 fixant l'organisation du pilotage, les qualifications professionnelles des pilotes et les règles d'exercice du pilotage dans les ports.   |
| Specific categories of workers  | Arrêté du 10 novembre 2015 fixant les règles d'optimisation et les niveaux indicatifs pour les expositions médicales à l'intention des professionnels de la santé.  |
| International agreements  | Mémoire d'entente entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République islamique d'Iran dans le domaine de l'enseignement supérieur et de la recherche scientifique, signé à Alger, le 17 décembre 2015.   |
|   | Convention de coopération entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement du Royaume d'Arabie Saoudite dans le domaine du transport maritime, signée à Riad, le 9 décembre 2015.   |
|   | Accord entre le Gouvernement de la République algérienne démocratique et populaire et la République française relatif aux échanges des jeunes actifs, signé à Paris, le 26 octobre 2015.  |
|   | Accord entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement du Royaume de Norvège sur le transport maritime, signé à Oslo le 23 juillet 2015.   |
|   | Accord de coopération entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République populaire de Chine dans le domaine du travail, de l'emploi et de la sécurité sociale, signé à Pékin, le 29 avril 2015.  |
|   | Convention entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République fédérale démocratique d'Ethiopie dans le domaine de la formation professionnelle et technique, signée à Alger le 15 mars 2015.   |
| <b>2016</b>   |   |
| General provisions  | Loi n° 16-13 du 3 novembre 2016 fixant la composition et les modalités de désignation des membres du Conseil national des Droits de l'Homme ainsi que les règles relatives à son organisation et à son fonctionnement.  |
|   | Décret présidentiel n° 16-255 du 27 septembre 2016 portant ratification de la Charte africaine de la démocratie, des élections et de la gouvernance, adoptée par les Chefs d'Etat et de Gouvernement de l'Union africaine, à Addis Abeba le 30 janvier 2007.  |
|   | Loi n° 16-02 du 19 juin 2016 complétant l'ordonnance n° 66-156 du 8 juin 1966 portant Code pénal.   |
|   | Décret exécutif n° 16-62 du 11 février 2016 fixant les modalités d'organisation de la médiation familiale et sociale pour le maintien de la personne âgée dans son milieu familial.   |
|   | Décret présidentiel n° 16-03 du 7 janvier 2016 portant création de l'Observatoire national du service public.   |
| Elimination of child labour, protection of children and young persons | Décret exécutif n° 16-334 du 19 décembre 2016 fixant les conditions et les modalités d'organisation et de fonctionnement de l'organe national de la protection et de la promotion de l'enfance.   |
| Equality of opportunity and treatment                                 | Décret présidentiel n° 16-254 du 27 septembre 2016 portant ratification avec déclarations interprétatives, du protocole à la Charte africaine des droits de l'Homme et des peuples relatif aux droits de la Femme en Afrique, adopté par la 2ème session ordinaire de la conférence de l'Union africaine, à Maputo (Mozambique) le 11 juillet 2003.   |
|   | Décret exécutif n° 16-186 du 22 juin 2016 fixant les modalités d'octroi de l'aide de l'Etat aux descendants en charge de leurs ascendants ainsi qu'aux personnes âgées en difficulté et/ou sans attaches familiales   |
| Tripartite consultations  | Décret présidentiel n° 16-309 du 28 novembre 2016 portant composition et fonctionnement du Conseil national économique et social.   |
| Employment policy, promotion of                                       | Décret exécutif n° 16-293 du 9 novembre 2016 modifiant et complétant le décret exécutif n° 08-02 du 2 janvier 2008 fixant les conditions de création, l'organisation et le fonctionnement des établissements d'aide par le travail.   |



|   |  |
|---|--|
| employment and employment services                                    |  |
| Education, vocational guidance and training                           | Décret exécutif n° 16-282 du 2 novembre 2016 fixant le régime de la formation professionnelle initiale et les diplômes la sanctionnant.  |
|   | Décret exécutif n° 16-226 du 25 août 2016 fixant le statut-type de l'école primaire.   |
|   | Décret exécutif n° 16-227 du 25 août 2016 fixant le statut-type du collège.  |
|   | Agreement between the Government of the Federal Democratic Republic of Ethiopia and the Government of the People's Democratic Republic of Algeria in the field of Technical and Vocational Education and Training Ratification Proclamation No. 962/2016.            |
|   | Décret exécutif n° 16-184 du 22 juin 2016 fixant les missions et les modalités d'organisation et de fonctionnement des centres de formation professionnelle et de l'apprentissage spécialisés pour personnes handicapées physiques.                                  |
|   | Arrêté interministériel du 23 février 2016 fixant l'organisation interne du Centre de formation professionnelle et de l'apprentissage (CFPA).  |
| Social security (general standards)                                   | Loi n° 16-15 du 31 décembre 2016 modifiant et complétant la loi n° 83-12 du 2 juillet 1983 relative à la retraite.   |
|   | Décret exécutif n° 16-294 du 9 novembre 2016 fixant les mesures d'aide et la prise en charge particulière des personnes âgées à domicile.  |
|   | Arrêté du 20 octobre 2016 fixant les caractéristiques techniques de la carte de la personne âgée.  |
|   | Arrêté du 12 juin 2016 portant revalorisation des pensions, allocations et rentes de sécurité sociale.   |
| Seafarers   | Arrêté du 23 octobre 2016 fixant les conditions générales de la formation spécifique d'aspirant pilote maritime.   |
|   | Décret exécutif n° 16-108 du 21 mars 2016 fixant les conditions de qualifications professionnelles et d'obtention des titres maritimes correspondants. -   |
| Specific categories of workers  | Décret exécutif n° 16-280 du 2 novembre 2016 modifiant et complétant le décret exécutif n° 08-04 du 19 janvier 2008 portant statut particulier des fonctionnaires appartenant aux corps communs aux institutions et administrations publiques.                       |
|   | Loi n° 16-06 du 3 août 2016 complétant l'ordonnance n° 06-02 du 28 février 2006 portant statut général des personnels militaires.  |
| International agreements  | Mémorandum d'entente de coopération entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République du Mali dans les domaines du travail, de l'emploi et de la sécurité sociale, signé à Bamako, le 3 novembre 2016. |
| <b>2017</b>   |  |
| General provisions  | Décret exécutif n° 17-194 du 11 juin 2017 portant missions, organisation et fonctionnement du Conseil national de concertation pour le développement de la PME.  |
|   | Décret présidentiel n° 17-143 du 18 avril 2017 fixant les modalités d'établissement de la carte nationale d'identité, sa délivrance et son renouvellement.   |
|   | Loi organique n° 17-06 du 27 mars 2017 modifiant la loi organique n° 05-11 du 17 juillet 2005 relative à l'organisation judiciaire.  |
|   | Loi n° 17-07 du 27 mars 2017 modifiant et complétant l'ordonnance n° 66-155 du 8 juin 1966 portant Code de procédure pénale.   |
|   | Loi n° 17-02 du 10 janvier 2017 portant loi d'orientation sur le développement de la petite et moyenne entreprise (PME)  |
|   | Règlement intérieur du Conseil national des Droits de l'Homme.   |
| Elimination of child labour, protection of children and young persons | Décret présidentiel n° 17-142 du 18 avril 2017 fixant la composition, l'organisation et le fonctionnement du Conseil supérieur de la jeunesse.   |
| Employment policy, promotion of employment and employment services    | Décret exécutif n° 17-326 du 8 novembre 2017 complétant le décret exécutif n° 08-02 du 2 janvier 2008 fixant les conditions de création, l'organisation et le fonctionnement des établissements d'aide par le travail.   |
|   | Décret exécutif n° 17-187 du 3 juin 2017 fixant les modalités de prévention du handicap.   |
| Education, vocational guidance and training                           | Arrêté du 12 décembre 2017 fixant les conditions et les modalités de délivrance des diplômes sanctionnant la formation professionnelle initiale.   |
| Occupational safety and health  | Décret exécutif n° 17-138 du 11 avril 2017 modifiant et complétant le décret exécutif n° 05-130 du 24 avril 2005 fixant les conditions d'exercice et les modalités d'agrément des agents de contrôle de la sécurité sociale.   |
| Social security (general standards)                                   | Arrêté du 31 mai 2017 portant revalorisation des pensions, allocations et rentes de sécurité sociale.  |
|   | Arrêté du 29 mai 2017 fixant l'organisation interne de la Caisse nationale d'assurance chômage.  |
|   | Arrêté du 1er février 2017 fixant la liste des aides en nature, sociales à domicile et sanitaires au profit des personnes âgées et ceux qui les prennent en charge.  |
| Specific categories of workers  | Décret exécutif n° 17-319 du 2 novembre 2017 fixant la composition, l'organisation et le fonctionnement du Conseil supérieur de la fonction publique.  |
|   | Décret exécutif n° 17-321 du 2 novembre 2017 fixant les modalités de révocation du fonctionnaire pour abandon de poste.  |
|   | Décret exécutif n° 17-322 du 2 novembre 2017 fixant les dispositions applicables au stagiaire dans les institutions et administrations publiques.  |
|   | Décret exécutif n° 17-302 du 22 octobre 2017 modifiant et complétant le décret exécutif n° 08-167 du 7 juin 2008 portant statut particulier des fonctionnaires appartenant aux corps spécifiques de l'administration pénitentiaire.                                  |
| <b>2018</b>   |  |
| General provisions  | Décret exécutif n° 18-170 du 26 juin 2018 fixant les missions, l'organisation et le fonctionnement de l'Agence de développement de la PME et de la promotion de l'innovation.  |
|   | Loi n° 18-06 du 10 juin 2018 modifiant et complétant l'ordonnance n° 66-155 du 8 juin 1966 portant Code de procédure pénale.   |
|   | Loi n° 18-07 du 10 juin 2018 relative à la protection des personnes physiques dans le traitement des données à caractère personnel.  |
|   | Loi n° 18-08 du 10 juin 2018 modifiant et complétant la loi n° 04-08 du 14 août 2004 relative aux conditions d'exercice des activités commerciales   |

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|--|---|
|  | Loi n° 18-01 du 30 janvier 2018 complétant la loi n° 05-04 du 6 février 2005 portant Code de l'organisation pénitentiaire et de la réinsertion sociale des détenus.   |
| Employment policy, promotion of employment and employment services | Décret exécutif n° 18-191 du 22 juillet 2018 modifiant et complétant le décret exécutif n° 03-290 du 6 septembre 2003 fixant les conditions et le niveau d'aide apportée aux jeunes promoteurs.   |
|  | Décret exécutif n° 18-192 du 22 juillet 2018 modifiant et complétant le décret exécutif n° 04-02 du 3 janvier 2004 fixant les conditions et les niveaux des aides accordées aux chômeurs-promoteurs âgés de trente (30) à cinquante (50) ans.   |
|  | Décret exécutif n° 18-193 du 22 juillet 2018 modifiant et complétant le décret exécutif n° 07-123 du 24 avril 2007 déterminant les conditions et les modalités d'octroi et de retrait d'agrément aux organismes privés de placement des travailleurs et fixant le cahier des charges-type relatif à l'exercice du service public de placement des travailleurs. |
| Education, vocational guidance and training                        | Décret exécutif n° 18-195 du 22 juillet 2018 fixant les mesures relatives à l'adaptation et à la réinsertion des élèves scolarisés à l'étranger dans les cursus scolaires nationaux.  |
|  | Décret exécutif n° 18-162 du 14 juin 2018 fixant les conditions de création, d'ouverture et de contrôle de l'établissement privé de formation ou d'enseignement professionnels.   |
|  | Loi n° 18-10 du 10 juin 2018 fixant les règles applicables en matière d'apprentissage.  |
|  | Décret exécutif n° 18-119 du 21 avril 2018 modifiant et complétant le décret exécutif n° 09-170 du 2 mai 2009 fixant les attributions, la composition et les modalités d'organisation et de fonctionnement du conseil de partenariat de la formation et de l'enseignement professionnels.   |
| Conditions of work   | Décret exécutif n° 18-95 du 19 mars 2018 fixant les conditions et modalités de reconnaissance des diplômes d'enseignement supérieur étrangers.  |
|  | Loi n° 18-12 du 2 juillet 2018 modifiant et complétant la loi n° 63-278 du 26 juillet 1963 fixant la liste des fêtes légales. -   |
| Social security (general standards)                                | Décret exécutif n° 18-227 du 24 septembre 2018 fixant la composition, l'organisation et le fonctionnement du Conseil national de la mutualité sociale.  |
|  | Loi n° 18-11 du 2 juillet 2018 relative à la santé  |
|  | Arrêté du 17 mai 2018 portant revalorisation des pensions, allocations et rentes de sécurité sociale.   |
| Seafarers  | Arrêté interministériel du 16 août 2018 fixant les normes d'aptitude physique des gens de mer.  |
|  | Arrêté du 19 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de capitaine au cabotage.   |
|  | Arrêté du 19 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de lieutenant au cabotage.  |
|  | Arrêté du 19 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de capitaine à la navigation côtière.   |
|  | Arrêté du 19 avril 2018 fixant les modalités et les conditions de délivrance du diplôme d'officier électrotechnicien.   |
|  | Arrêté du 19 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de patron à la navigation côtière.  |
|  | Arrêté du 12 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de lieutenant mécanicien de deuxième (2ème) classe.   |
|  | Arrêté du 12 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de matelot électrotechnicien.   |
|  | Arrêté du 12 avril 2018 fixant les modalités et les conditions de délivrance du diplôme d'officier mécanicien de deuxième (2ème) classe.  |
|  | Arrêté du 12 avril 2018 fixant les modalités et les conditions de délivrance du diplôme de matelot.   |

Source: [ILO](#), [NATLEX](#), [Country Profile Algeria](#), [Basic Laws](#)

**Table 24: Algeria's Ratified ILO Conventions**

| Subject and/or right   | Convention  | Ratification date |
|--|---|-------------------|
| <b>Fundamental Conventions</b>   |   |                   |
| Freedom of association and collective bargaining                         | C087 - Freedom of Association and Protection of the Right to Organise, 1948               | 1962              |
|  | C098 - Right to Organise and Collective Bargaining Convention, 1949                       | 1962              |
| Elimination of all forms of forced labour                                | C029 - Forced Labour Convention, 1930   | 1962              |
|  | C105 - Abolition of Forced Labour Convention, 1957  | 1969              |
| Effective abolition of child labour                                      | C138 - Minimum Age Convention, 1973   | 1984              |
|  | C182 - Worst Forms of Child Labour Convention, 1999                                       | 2001              |
| Elimination of discrimination in employment                              | C100 - Equal Remuneration Convention, 1951  | 1962              |
|  | C111 - Discrimination (Employment and Occupation) Convention, 1958                        | 1969              |
| <b>Governance Conventions</b>  |   |                   |
| Labour inspection  | C081 - Labour Inspection Convention, 1947   | 1962              |
|  | C129 - Labour Inspection (Agriculture) Convention, 1969                                   | Not ratified      |
| Employment policy  | C122 - Employment Policy Convention, 1964   | 1969              |
| Tripartism   | C144 - Tripartite Consultation (International Labour Standards) Convention, 1976          | 1993              |
| <b>Up-to-date Conventions</b>  |   |                   |
| Working time   | C014 - Weekly Rest (Industry) Convention, 1921  | 1962              |
| Elimination of child labour and protection of children and young persons | C077 - Medical Examination of Young Persons (Industry) Convention, 1946                   | 1962              |
|  | C078 - Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 | 1962              |
| Social policy  | C094 - Labour Clauses (Public Contracts) Convention, 1949                                 | 1962              |
| Wages  | C095 - Protection of Wages Convention, 1949   | 1962              |
| Migrant workers  | C097 - Migration for Employment Convention (Revised), 1949                                | 1962              |
| Occupational safety and health   | C120 - Hygiene (Commerce and Offices) Convention, 1964                                    | 1969              |
|  | C155 - Occupational Safety and Health Convention, 1981                                    | 2006              |
|  | C167 - Safety and Health in Construction Convention, 1988                                 | 2006              |
| Freedom of association, collective bargaining, and industrial relations  | C135 - Workers' Representatives Convention, 1971  | 2006              |
| Vocational guidance and training   | C142 - Human Resources Development Convention, 1975                                       | 1984              |
| Labour administration and inspection                                     | C150 - Labour Administration Convention, 1978   | 1984              |
| Employment policy and promotion  | C181 - Private Employment Agencies Convention, 1997                                       | 2006              |
| Seafarers  | MLC, 2006 - Maritime Labour Convention, 2006 *  | 2016              |

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market. In addition, there are 83 conventions, which ILO considers "up-to-date" and actively promotes.

\* With amendments of 2014 and 2016 in force, and amendments of 2018 that are not in force until December 26, 2020.

Source: [ILO, NORMLEX, Algeria](#)

**Table 25: Ease of Doing Business in Algeria, 2019-2020**

| Topics                            | Ranking 2019 | Ranking 2020 | Change |
|-----------------------------------|--------------|--------------|--------|
| Overall                           | 157          | 157          | 0      |
| Starting a Business               | 150          | 152          | -2     |
| Dealing with Construction Permits | 129          | 121          | +8     |
| Getting Electricity               | 106          | 102          | +4     |
| Registering Property              | 165          | 165          | 0      |
| Getting Credit                    | 178          | 181          | -3     |
| Protecting Minority Investors     | 168          | 179          | -11    |
| Paying Taxes                      | 156          | 158          | -2     |
| Trading Across Borders            | 173          | 172          | +1     |
| Enforcing Contracts               | 112          | 113          | -1     |
| Resolving Insolvency              | 76           | 81           | +5     |

*Note: Doing Business 2019 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.*

Source: [World Bank, Ease of Doing Business 2020 in Algeria](#)

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