



European Training Foundation

ALGERIA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2018**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Following government reshuffles between May and September 2017, the new prime minister and ministers agreed to boost governmental priorities for growth and development through a relaunched government action plan. The Government Action Plan of September 2017¹ is based on the following key documents: (i) the Constitution, (ii) the Programme of the President of the Republic of 2014, (iii) the new growth model adopted in July 2016, and (iv) the road map for the recovery of public finances adopted in July 2016. The action plan aims to boost progress in all key priority areas for the government. In particular, the growth model and the road map for recovery of public finances aim to reorient the historical dependence of the country on the hydrocarbon sector, which resulted in a negative downturn following the drop in oil prices. The plan also gives prominence to the commitment to improve conditions for private sector development in view of job creation. The authorities prioritise adjusting the education and training system accordingly and improving the quality of education. Regular monitoring and evaluation of the progress are needed to ensure more efficient and rapid implementation of the reform plans. Cooperation between Algeria and the European Union (EU) continues to develop. The AFEQ (Adequation Formation Emploi Qualification) project, which aims to bring the education and employment sectors closer to the needs of the labour market, started being implemented in 2018, with an official launch event in March. The project is ambitious and builds on success stories and tangible results of precedent EU and other donors' initiatives. Algerian authorities are showing strong commitment to modernising and improving the quality and effectiveness of the education, training and employment services. A new planning phase of the EU–Algeria cooperation started in 2018 and priorities are being defined. Stronger integration of skills development and employment, including in sectoral programmes, is one of the objectives of the cooperation and of future interventions.

¹ Plan d'action du Gouvernement pour la mise en œuvre du programme du Président de la République, available at: <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/plans-d-actions/plan-d-action-du-gouvernement-2017-fr.pdf>.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

With almost 41.7 million inhabitants in 2017, Algeria is the most populous country in the Maghreb. The population is unevenly spread throughout the country, with the vast majority of people living in the north along the Mediterranean coast. The country has a young population, with 24.6% aged 15 to 24. The youth dependency ratio is increasing and reached 45.4 in 2017, while the old-age dependency ratio is low at 9.6 in 2017, but has been increasing steadily over recent years.

Poor economic conditions and a lack of employment opportunities cause certain rural regions in Algeria to continually experience high levels of migration flows in the form of both internal rural-to-urban migration and, in some cases, irregular emigration to international destinations. The phenomenon is particularly prevalent among young people, and it serves to exacerbate the economic decline of these regions as the population base and labour force diminish². It is estimated that around 4.5% of the population was living abroad in 2015. Of those Algerians who migrate abroad, 90% reside in the EU, with France being the main destination³. As a country of transit, due to its geographical situation, but also progressively one of destination, Algeria is confronted with social and economic issues resulting from the influx of cuts migrants⁴. It is estimated that between 25 000 and 100 000 undocumented migrants, mainly from Mali, Niger and Burkina Faso, live in Algeria. Most immigrants work in the agriculture and construction industries where the demand for labour is particularly high⁵.

Algeria is an upper middle-income country. The country's economy is dominated by the state and is heavily reliant on hydrocarbons. It is also characterised by low competitiveness and productivity. In 2016, the share of gross domestic product (GDP) by sector continued the pattern of previous years, with the expanding service sector reaching 50.9% of GDP, the industry sector shrinking to 36.2%, and agriculture fluctuating around 12.9%.

In 2017, Algeria could not maintain the same level of economic growth of the previous three years (stable at around 3.7%) and recorded a rather limited growth at 1.7%. However, while overall economic activity slowed down, growth in the non-hydrocarbon sector remained stable. Inflation decreased from 6.4% in 2016 to 5.6% in 2017. The fiscal and 2018 account deficits remain important⁶. The government has put in place some austerity measures to counteract the fall in oil prices, including cuts in expenditure (mostly investment) and increased tax revenues (in particular by increasing taxes on petrol, electricity and car registration). In addition, some cuts to subsidies were introduced and monetary authorities allowed for the depreciation of the Algerian dinar (DZD). The authorities are also introducing cuts to social spending, in particular through new pension legislation, which increases the pensionable age and introduces some more restrictive conditions for retirement⁷. Growth is expected to recover sharply in 2018 as fiscal expansion takes hold. As new public investments announced in the 2018 budget are carried out, headline growth and inflation will increase. As a result, GDP growth is expected to stand at 3.5%, with inflation at 7.5% for 2018. However, GDP growth will struggle to

² <https://www.iom.int/countries/algeria>.

³ https://ec.europa.eu/knowledge4policy/sites/know4pol/files/mp_algeria_3.2_a4_2.pdf.

⁴ <https://www.iom.int/countries/algeria>.

⁵ <https://reliefweb.int/report/algeria/algeria-s-migration-policy-conundrum>.

⁶ IMF press release on mission to Algeria, March 2018, available at:

<https://www.imf.org/en/News/Articles/2018/03/12/pr1882-imf-staff-completes-2018-article-iv-visit-to-algeria>.

⁷ Law 83-12 of 30 November 2016, effective as of 1 January 2017.

surpass the 2% threshold for 2019/20, constituting weak growth for a middle-income country with a large youth population⁸.

Algeria's economy remains dominated by the state. There are approximately 400 state-owned enterprises, operating in all sectors of the economy, in particular in the oil and financial sectors. In recent years, the Algerian government has halted the privatisation of state-owned industries and imposed restrictions on imports and foreign involvement in its economy. An unfavourable business climate, marked by difficult access to finance, a complex regulatory environment and time-consuming procedures to set up businesses, hold back the private sector. Algeria's ranking in the World Bank's Doing Business Ranking⁹ deteriorated from 156 in 2017 to 166 in 2018 (out of 190 countries). In the World Economic Forum's Global Competitiveness 2017–2018 report, Algeria ranks 86 out of 137 economies¹⁰.

In 2017, Algeria approved a law on small and medium-sized enterprises (SMEs) that establishes specific support mechanisms for SMEs in view of industrial development (SME Law 1702 of 2017). The law determines the ANDPME (Agency for the Development of SMEs) as the leading institution to bring coherence between the different actors currently active in this field. Areas for improvement also include the development of a comprehensive strategy for SMEs and increased involvement of the private sector in different areas of SME development. Facilitating access to international markets remains a critical area for improvement together with stronger coordination and dialogue between different groups involved in SME development and fostering entrepreneurship¹¹.

Regional instability continues to be a major concern for both the Algerian authorities and investors. The security measures along the border with Libya have recently been stepped up. Trade integration is proceeding very slowly and negotiations to join the World Trade Organisation have not made much progress. To boost the economy, the government is seeking to further develop its hydrocarbon resources and has also explicitly embraced private sector development by opening research centres and launching major transport and housing projects. According to International Monetary Fund and World Bank estimates, the government economic plan of diversification, if linked to the creation of favourable conditions for the private sector and necessary adjustments to the education and training system, would boost economic growth substantially in the medium term, balancing the short-term costs of transition.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Algeria has a relatively low-skilled labour force, with 68.2% of the adult population having a low level of education, 19.3% a medium level of education and 12.5% a high level of education (2015). The population with a higher level of education has been increasing for both men and women: from 2012 to 2015, this increase was from 10.1% to 12.0% for men and from 9.5% to 13.0% for women.

⁸ <http://www.worldbank.org/en/country/algeria/publication/economic-outlook-april-2018>.

⁹ <http://www.doingbusiness.org/en/rankings?incomeGroup=high-income>.

¹⁰ <https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018>.

¹¹ The Organisation for Economic Co-operation and Development, European Commission, ETF, SME and Entrepreneurship, Development in the Mediterranean Middle East and North Africa, 2018.

Extensive efforts in previous decades have led to considerable developments in education and training results. Literacy and education levels are improving. The net enrolment rate in primary education reached 97.55% in 2016 and the primary to secondary transition rate was high at 98.92% in 2015. Also, the gross enrolment ratio in tertiary education is high at 47.72% in 2017 and has been increasing over the years¹².

The public school system is split into three levels: primary, which lasts for five years, followed by four years of lower secondary, and three optional years of upper secondary. Basic education, defined as primary and lower secondary school, is mandatory for all Algerians. A substantial share of students leave school after their compulsory lower secondary education and in the last year of lower secondary (18.9% in 2012)¹³. Some of these students never return to school, some are reintegrated into general education, and some find placements in Vocational Education and Training (VET) (initial or continuing).

Overall, VET enrolment has increased by almost double since the beginning of the 2000s. In 2017, the most chosen subjects were management and administration (22.38%), followed by building and construction (14.54%), and service-related jobs (10.48%). Despite the increase in enrolment, VET still suffers from a poor image within society and is considered a second choice for dropouts from the education system. No pathways exist between general education and VET and between VET and higher education. Raising the quality of VET and improving its links with the labour market is a priority for the government. More apprenticeship-type training courses are offered and according to the figures released by the ministry responsible for VET¹⁴, a total of 352 392 apprentices were trained in 2017, representing 60.7% of the total population of students in VET. This increase is partly linked to government actions in favour of VET (and the attention towards raising the status and quality of apprenticeships that led to the adoption of the law on apprenticeships in 2018).

While a number of reforms have been undertaken to improve the quality of the education system¹⁵, they have not yet translated into quality outcomes. For the first time, Algeria participated in the Programme for International Student Assessment (PISA) tests in 2015. The data showed a substantial underachievement in science (70%), mathematics (81%) and reading (79%).

2.2 Education and training policy and institutional setting

Government policy in the domain of national education¹⁶ (2015) aims to ensure equitable access to education and its qualitative development. The actions are clustered around three major axes: pedagogic overhaul, good governance, and professionalisation of education personnel through training. The National Education Act sets up a framework for education and training provision. The school system is characterised by the centralisation of programmes, methods and schedules. However, management of institutions and staff is decentralised.

¹² <http://uis.unesco.org/country/DZ>.

¹³ UNICEF, Rapport National sur les Enfants non scolarisés, All In School project, 2014.

¹⁴ Ministère de la Formation et de l'Enseignement Professionnels, Annuaire des Statistiques, 2017.

¹⁵ See government plan for VET, available at: <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/formationprofessionnelle.pdf>.

¹⁶ Politique Gouvernementale dans le domaine de l'Education Nationale et Politique gouvernementale dans le domaine de la Formation et de l'Enseignement professionnels, available at: <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/education.pdf>.

VET is regulated by the law of 2008¹⁷. VET modalities include: i) residential training (*Formation residentielle*) that mainly takes place in institutes and VET centres, ii) apprenticeship training which is done in cooperation between training centres and enterprises; iii) distance training mainly taking place through correspondence with periodic face-to-face training sessions; and iv) evening courses that are mainly aimed at workers who wish to continue their training or specialise for career development purposes.

The government aims to improve the image, quality, efficiency and effectiveness of VET in Algeria. The main priorities for VET development are established in the Government Action Plan of September 2017 and in the detailed action plan for VET. This plan addresses the whole system and has 23 measures, including improved career guidance, professional development of teachers, continuing training, quality assurance, work-based learning, VET for disadvantaged groups, social partnership and distance learning¹⁸. The plan also sets up an objective to enlarge the network and the training infrastructure with new centres of excellence, in partnership with the enterprises. At present the VET system includes 129 institutes and 798 centres spread over the country. Although legislation provides for the option of private education, most VET is provided by the state free of charge.

The recent law on apprenticeships represents an important step towards meeting the goal of promoting apprenticeship training. The objective of the Ministry of Vocational Education is to progressively increase the percentage of students in apprenticeships¹⁹. In order to better analyse the efficiency and quality of the system, mechanisms to track VET graduates should be put in place. The EU project AFEQ (matching employment, training and qualifications) has a component dedicated to boosting apprenticeships in Algeria through better quality of the training offered.

The education sector is governed by three ministries: the Ministry of National Education, the Ministry of Higher Education and Research, and the Ministry of Vocational Education (*Ministère de la Formation et de l'Enseignement professionnels*). Inter-ministerial cooperation appears limited, as is the coordination with the private sector. Some important steps have been made in this respect, including the signing of several agreements between the Ministry of VET and the business sector to reinforce closer cooperation. The Partnership Council (*Conseil de Partenariat*) members have recently been appointed with a view to give new dynamism to this body that has not yet been able to fulfil its mandate and has been mostly inactive.

While objectives and specific measures are clearly aiming for continuous improvement of the training offer in response to labour market demands, mechanisms for follow-up need to be put in place and become operational. This should include, among others, a set of tools for monitoring and evaluating progress. The Partnership Council should also become a real platform for dialogue between all concerned actors and foster dialogue between skills demand and supply. In 2019, for the first time, Algeria will take part in the Torino Process, a participatory analysis of VET policies, led by the European Training Foundation (ETF). This could be an opportunity to integrate this analysis in an ongoing country-led assessment of the VET policies and the progress in VET reform (the VET action plan).

¹⁷ Loi n° 08-07 du 23 février 2008 on VET – Loi d'orientation sur la formation et l'enseignement professionnels.

¹⁸ <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/formation-professionnelle.pdf>.

¹⁹ <https://oxfordbusinessgroup.com/overview/knuckling-down-overhaul-teaching-methods-and-increased-funding-raise-standard-learning-all-schooling>.

Continuing training remains limited. Two bodies are in charge of Continuous VET (CVET): FNAC (*Fonds National d'apprentissage et formation continue*), which ensures the reimbursement of in-company training costs for those enterprises paying tax and complying with the reimbursement conditions, and the ONDEFOC (*Office national de développement et de promotion continue*), which is in charge of assisting enterprises in promoting and developing CVET and of ensuring a link with the enterprises and public and private bodies. The absence of accessible data on the extent of coverage and activities of the two bodies, as well as the absence of evaluation mechanisms, makes it difficult to assess the effectiveness of CVET provision.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Despite some improvements, labour market participation remains low, at 41.8% in 2017, particularly for women. Although the female activity rate has been slightly increasing, from 15.8% in 2012 to 17.0% in 2017, the male activity rate has been decreasing, from 67.3% in 2012 to 66.3% in 2017. In general, the participation of women peaks at age 25 to 29 and then gradually reduces with age. The decrease is driven mainly by family obligations and a more vulnerable labour market position. Employment figures also show a negative tendency. The employment rate decreased from 37.4% in 2012 to 36.9% in 2017, particularly affecting men (from 61.3% in 2012 to 60% in 2017). The female employment rate slightly increased from 13.1% in 2012 to 13.5% in 2017.

The unemployment rate stood at 11.7% in 2017, with an increase from 10.5% in 2016. Unemployment varies across the country, with significantly higher rates in the southern provinces and urban areas. Unemployment is particularly high among the educated, young people, and women. The unemployment rate among women was 20.7% in 2017, while youth unemployment reached 28.3% in 2017, with a critically high rate for young women (45.7%). The proportion of young people (aged 15 to 24) not in employment, education or training is very high (33.1% in 2017), with an increasing trend (22.7% in 2012). Girls are the most affected, with an increase from 34.8% in 2012 to 49.8% in 2017.

The better educated are particularly affected by unemployment; in 2017, 17.8% of those people with a high level of education were unemployed, in comparison to 7.9% of those with a low level of education. Such a distorted trend suggests structural labour market problems, lower returns on skills investments and loss of productive employment. High unemployment rates among better-educated workers is partially caused by a lack of private sector jobs and unwillingness to accept private sector employment that is often perceived to be of lower quality rather than choosing to queue for better jobs (typically in the public sector).

Employment by sector remains fairly stable over the years, with the majority of workers absorbed by the service sector (59.1%), followed by industry (30.8%) and agriculture (10.1%) in 2017. Employment in the public sector is still significant, at around 37%, and particularly for women, at around 57%. The state being the main employer for many years has not favoured self-initiative (such as entrepreneurship) and made employment in the private sector less attractive. Self-employment has been decreasing, reaching 31.7% in 2017. Despite the efforts of the Algerian authorities to integrate the informal market, according to International Labour Organisation estimates, 37% of all labour in Algeria is employed in the informal economy.

For years, education and training in Algeria focused on those subjects that most suit employment in the public sector, and this created a skills mismatch in the labour market. There is a chronic shortage of skilled labour in Algeria, especially in the construction industry. Business contacts report difficulty in finding sufficiently skilled plumbers, electricians, carpenters, and other construction/vocational-related areas. Oil companies report they have difficulty retaining trained Algerian engineers and field workers because these workers often leave Algeria for higher wages in the Gulf. White collar employers also report a lack of skilled project managers, supply chain engineers, and even sufficient numbers of office workers with requisite computer and business skills²⁰.

3.2 Employment policy and institutional setting

The National Employment Policy (2010–2014) was reinforced in September 2015 by the Governmental Plan for Employment²¹. Its main axes include the fight against unemployment, aims for improved employment relations and social dialogue, the fight against bureaucracy, the simplification of procedures, information and communication investment programme, and human resources and training. Lack of regular analysis of the progress in implementing the National Employment Policy makes it difficult to assess the real implementation progress. Data on vacancies, jobseekers and placements are regularly collected and published; however, no evaluation of the impact of employability support measures has been published.

In 2017, the government identified and confirmed the priority sectors of agriculture, industry, tourism and handicrafts. Investment will be focused towards development of these sectors. Special focus is also given to fostering the business environment and strengthening SMEs.

Over the years, within the framework of the National Employment Policy, Algeria has developed specific employment measures that are implemented by five agencies under the control of two key ministries: the Ministry of Employment, Labour and Social Security (MoELSS) and the Ministry of National Solidarity (MoNS), which focuses on actions related to poverty reduction. Other ministries are also involved, although to a lesser extent, including the Ministry of Agriculture and the Ministry of Industry and Mines. ANDPME and the National Agency of Investment Development (ANDI) also have a role to play.

The MoELSS is responsible for the actions of the National Employment Agency (ANEM), National Agency for Supporting Youth Employment (ANSEJ) and National Unemployment Insurance Fund (CNAC). The MoNS is responsible for the Social Development Agency (ADS) and National Agency for Management of Microcredit (ANGEM).

Active labour market programmes (ALMPs) provided by the agencies can be divided into two groups, according to the type of programme they manage:

- services to ease social tensions by providing immediate temporary work contracts or internship experiences: ANEM (job intermediation, youth employment programmes involving internships or work contracts for educated young people) and ADS (public works programmes for poor and unskilled people in disadvantaged regions)
- services to support entrepreneurship and micro-enterprises by providing business advice, training, credits, tax exemptions and business monitoring: ANSEJ (targeting young people aged 19 to 35,

²⁰ <https://www.export.gov/article?id=Algeria-Labor>.

²¹ <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/emploi.pdf>.

particularly those with higher education), CNAC (targeting unemployed adults aged 35 to 50) and ANGEM (providing micro-credits to poor people to promote self-employment, working at home, small businesses and crafts).

The core mission of the ANEM is to provide job intermediation services. The agency continues to modernise and improve its functions. Efforts have been particularly focused on capacity building for staff, digitalisation of some intermediation services (through an improved website and specific matching software) and improvement of internal communication through development and operationalisation of an agency intranet. Alongside the ANEM, private agencies are accredited by the government to operate in the field of job placements, while intermediation remains the key function of the ANEM. There is compulsory reporting by employers on all job vacancies, subject to penalties if this is not done.

In addition to its core mission, the ANEM has also been involved in managing youth employment programmes within the framework of the National Employment Policy (part of the DAIP (*Dispositif d'Aide à l'Insertion Professionnelle*)). The DAIP²² includes three types of contracts and addresses first-time jobseekers: i) contract for placement of higher education graduates (*Contrat d'Insertion des Diplômés – CID*); contract of professional placement (*Contrat d'Insertion Professionnelle – CIP*) for young people with secondary school education; and iii) training-placement contract (*Contrat de Formation-Insertion – CFI*) for young people with no qualifications. Incentives are also envisaged for young people using one of these contracts to provide specific training courses. The ANEM also manages the CTA (*Contrat de travail aide*), which is a subsidised employment contract integrated in the DAIP that provides a monthly contribution from the state to cover the salary of the employee. The aim is to encourage recruitment of jobseekers with no employment experience. The ANEM mandate also includes labour market analysis relating to skills needs anticipation but this function is limited, mainly due to low capacity.

Specific resources and measures to increase youth access to employment (including tax exemptions, hiring subsidies, government-backed credit guarantees for start-ups and microcredit for poor households) have been in place since 2010. However, these measures are putting pressure on the state budget and provide only temporary solutions. Moreover, each agency runs a range of programmes and has access to considerable resources, but only limited information on the impact of these programmes is available. There is also a lack of clarity in the various responsibilities of the agencies. There are plans to improve provision of ALMPs and make them more flexible, in particular the DAIP. In view of longer-term sustainability, the allocation of adequate resources should be ensured, in parallel with the setting up of mechanisms for monitoring and evaluation that will inform decisions on the continuation and improvement of the current ALMPs in place.

The EU project PAJE (*Programme d'Appui Jeunesse Emploi*) addresses young people's need to have a unique and clear information entry point in line with their individual requirements, including being locally based. The project supports setting up youth platforms (*Plateformes Jeunesse Emploi*), physical spaces where young people can have access to counselling and orientation services and in parallel can receive information on the available support measures, including financing (microcredit and start-ups).

²² Regulated by Law 90.11.

ALGERIA: STATISTICAL ANNEX

Annex includes annual data from 2012, 2016 and 2017 or the last available year

	Indicator		2012	2016	2017
1	Total Population (,000) ⁽¹⁾		36717	40836	41697
2	Relative size of youth population (age group 15-24, %) ⁽¹⁾		27.5 (2013)	24.6	24.6
3	Youth Dependency ratio (%)		41.4	44.6	45.4
4	Old Dependency ratio (%)		8.3	9.3	9.6
5	Global Competitive Index	Rank	110	87	86
		Score	3.7	4.0	4.1
6	GDP growth rate (%)		3.4	3.3	1.7
7	GDP per capita (PPP) (current international \$)		13404	15013	15275
8	GDP by sector (%)	Agriculture added value	8.8	12.9	M.D.
		Industry added value	47.8	36.2	M.D.
		Services added value	43.4	50.9	M.D.
9	Poverty headcount ratio at \$2 a day (PPP) (%)		M.D.	M.D.	M.D.
10	Gini index (%)		M.D.	M.D.	M.D.
11	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low ⁽²⁾	72.4	68.2 (2015)	M.D.
		Medium	17.9	19.3 (2015)	M.D.
		High	9.8	12.5 (2015)	M.D.
12	Gross enrolment rates in secondary education (%)		99.7 (2011)	M.D.	M.D.
13	Share of VET students in secondary education (%)		8.3 (2011)	M.D.	M.D.
14	Gross enrolment rates in upper secondary education (%)		62.6 (2011)	M.D.	M.D.
15	Share of VET students in upper secondary education (%)		9.7 (2011)	M.D.	M.D.
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	79.0 (2015)	N.A.
		Mathematics	N.A.	81.0 (2015)	N.A.
		Science	N.A.	70.8 (2015)	N.A.

	Indicator		2012	2016	2017
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
19	Activity rates by sex (aged 15+) (%)	Total	42.0	41.8	41.8
		Male	67.8	66.6	66.3
		Female	15.8	16.6	17.0
20	Employment rates by sex (aged 15+) (%)	Total	37.4	37.4	36.9
		Male	61.3	61.2	60.0
		Female	13.1	13.3	13.5
21	Unemployment rates by sex (aged 16-59) (%)	Total	11.0	10.5	11.7
		Male	9.6	8.1	9.4
		Female	17.0	20.0	20.7
22	Unemployment rates by educational attainment (aged 16-59) (%)	Low ⁽³⁾	8.3	6.8	7.9
		Medium	9.7	9.5	11.3
		High	14.6	16.7	17.8
23	Youth unemployment rates by sex (aged 16-24) (%)	Total	27.5	26.7	28.3
		Male	24.9	22.3	24.8
		Female	39.2	49.9	45.7
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		68.0	66.4	M.D.
25	Long-term unemployment rate (aged 15+) (%)		7.5	6.7	7.7
26	Incidence of self-employment (%)		30.5	30.2	31.7
27	Share of the employed in a public sector (%)		42.8	43.1	M.D.
28	Employment by sector (%)	Agriculture	9.0	8.0	10.1
		Industry	29.5	31.0	30.8
		Services	61.6	61.0	59.1
29	Employment in the informal sector		M.D.	M.D.	M.D.
30		Total	22.7	27.6	33.1

	Indicator	2012	2016	2017	
	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%) ⁽⁴⁾	Male	10.8	19.3	21.8
		Female	34.8	36.3	49.8
31	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	
32	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	
33	Skill gaps (%)	M.D.	M.D.	M.D.	
34	The share of SMEs in GDP (%)	M.D.	M.D.	M.D.	
35	The share of SMEs in employment (%)	M.D.	M.D.	M.D.	

Last update: 28/8/2018

Sources:

Indicators 1, 2, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, – National Statistical Office of Algeria

Indicators 3, 4, 6, 7, 8 – World Bank, World Development Indicators

Indicator 5 – World Economic Forum

Indicators 11 – EUROSTAT

Indicators 12, 13, 14, 15, 31, 32 - UIS UNESCO

Indicator 16 - OECD

Notes:

⁽¹⁾ estimates

⁽²⁾ Includes no schooling

⁽³⁾ ISCED 0-1 (does not include no schooling)

⁽⁴⁾ Definition: youth neither in employment nor in school

Legend:

N.A. = Not Applicable

M.D. = Missing Data

ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old Dependency ratio (%)	The ratio of older dependants (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.

	Description	Definition
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)

	Description	Definition
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of value added from small and medium businesses (SMEs).
35	The share of SMEs in employment (%)	The share of persons employed in small and medium businesses.

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