

**An overview of vocational
education and training**

COUNTRY REPORT



Algeria



European Training Foundation

General survey of vocational education and training in Algeria

This report was produced by the European Training Foundation with the assistance of Mrs Marinella Giovine, VET expert, during the second half of 1999 and reflects the situation described at that time.



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The European Training Foundation is an agency of the European Union which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States and Mongolia, as well as the Mediterranean partner countries and territories. The Foundation also provides technical assistance to the European Commission for the implementation of the Tempus programme.



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Introduction

This report is one of a series produced by the European Training Foundation in the second half of 1999 on the state of play of vocational education and training systems in six countries of the South Mediterranean region. The countries covered are Algeria, Jordan, Lebanon, Malta, the Republic of Cyprus and Turkey.

Objectives

These reports were prepared at the request of the European Commission and seek to provide a complete overview of the national vocational education and training systems and indications of the key challenges faced by them in a wider development strategy.

It is important to note that, unlike most other studies on the subject, these reports do not aim principally to contribute to project identification. This factor has enabled a broader set of issues to be tackled and has facilitated the integration of information on specific circumstances and political issues that may hinder the development of responsive vocational education and training systems in the countries concerned and are usually not relevant or covered in project identification cycles.

Methodology

Staff from the European Training Foundation and a number of external experts worked in teams to produce the reports.

Work began with an analysis of existing studies carried out for the European Commission or other international organisations. This form of desk research was used to identify the main issues faced by each country and to select key interlocutors.

The second phase of preparation involved visits to the main stakeholders in the countries themselves.

The initial conclusions drawn from these first two stages were then discussed with the national authorities.

An on-going process

These are the first reports that the Foundation has prepared on these countries and, as with other partner countries, we see this as very much an on-going process, each new edition being used as a measure of the progress achieved.

Furthermore, given the dynamic nature of the economic and social transformation the countries concerned are undergoing and bearing in mind the medium term goals of the Euro-Mediterranean policy, developments in the vocational education and training systems would benefit from regular evaluation through the updating of the information and the conclusions provided in the reports.

Acknowledgements

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- The European Commission and in particular its local delegations, whose role in facilitating and advising the team has been crucial;
- The many interlocutors met at different levels in the countries themselves, who have helped the team to focus on the key issues at stake;
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1. Summary

1.1. Summary of main conclusions

The presidential elections in 1999 and the referendum on the *loi pour la concorde civile* (civil reconciliation act), appeared to put an end to a period of civil war that had caused over 100 000 deaths and material damage estimated at around 3.5 billion dollars. The resumption of diplomatic activity is now aimed at bringing the country out of a phase of isolation that had lasted almost ten years. The constitution promulgated in 1996 renews provisions relating to fundamental freedoms and financial, social and cultural rights, and confirms the primacy over national law of the international treaties and convention ratified. A multiparty system has already been in place since the 1989 Constitution; the press is no longer subject to government monopoly and has been opened up to private initiative.

Women are discriminated against in many ways. The Family Code adopted in 1984 reduced women's rights and is at variance with constitutional principles of equality between the sexes.

Algeria has been undergoing an economic transition for some years: from a State-controlled economy to an economy based on private initiative and diversification of sectors of activity. To this end, a series of reforms have been put in place: on currency and credit, investments, business, labour relations, privatisation of public undertakings, establishment of a stock exchange.

The programme of macro-economic realignment launched in 1994 has had a positive impact on debt and the balance of trade in particular, **but as yet this growth** is inadequate and fragile, and it **has not yet improved the employment situation**. The unemployment rate is 29% and there are around 2.1 million unemployed, 80% of whom are under 30; 70% of young people aged 16-19 and 50.5% of young people aged 20-24 are unemployed. The female unemployment rate is 38%. An extensive employment programme has been implemented, characterised by a range of mechanisms extending from "temporary measures" to measures supporting integration and the creation of enterprises and self-employment.

21.5% of men and 44.5% of women have had no schooling, and 47.3% and 64.8% respectively have a level of education equivalent to primary education only.

The enormous efforts made by the education system, with a budget representing almost 7% of GDP, **have only partly countered the effects of demographic growth** which now stands at 2%, but reached levels exceeding 3% as recently as the 1980s.

Very high numbers of people drop out of school, at both basic and secondary levels. The “polyvalent” nature of the last year of basic education is not complied with, which means that the career-guidance level on completion of compulsory schooling is unsatisfactory. Secondary school takes the form of a (very selective) cycle of preparation for higher education, with no paths leading to working life. Technical secondary schools account for only a tiny proportion of students at secondary level. Moreover, it is a branch of education regarded as inefficient, as regards both acquisition of a school-leaving qualification to be followed by higher education and integration into working life.

Consequently, **the vocational training system gives priority** to dealing with social demand resulting from **educational failures** at all levels of the education system.

Fulfilment of this task appears to distance vocational training from its role as a bridge between school and work. In addition, participation by bodies from the world of work in planning and implementation of different forms of training appears to go no further than formal “consultation”.

Obviously the difficult phase of **economic crisis** and restructuring of the productive system with which the country has had to contend **has made it difficult to identify the skills required on the labour market**, and this has detracted from the image of vocational training as an instrument for labour market integration. Budgetary constraints have also limited growth in capacity in urban areas resulting in a demand for training which exceeds supply, as well as the maintenance of accommodation services for students in rural areas.

In order to try to relate training to production environments and to increase low-cost capacities, a remarkable effort has been made to develop apprenticeship. **The low skill level of both trainers and management staff makes it difficult to raise the quality level in the sector.**

On the other hand, various support bodies and establishments are showing strong commitment to improving the training of trainers and teacher training, and diversifying and modernising training options.

At the level of **training of advanced technicians**, there appears to be **relatively little** training available, and it does not yet appear to have been aligned with the corresponding “short cycles” in higher education.

Training provision in large enterprises is declining sharply, while the range of approved private bodies is increasing, with training provision concentrated on options provided by the tertiary sector.

Management training provision is relatively modest, but is characterised by the presence of some high-level public institutions, benefiting from an interesting regime of management and financial autonomy.

1.2. Summary of main recommendations

In the context of a cohesive education system, it would seem to be important **to specify more clearly the respective tasks of secondary schools and the vocational training system**. The reform bill currently before Parliament will give the sector a reference framework, but the future of technical secondary education has yet to be specified.

There are many proactive policy mechanisms for labour market integration, aimed either at young people or at workers concerned by economic conversion, but the measures **need to be better co-ordinated and targeted** and to be integrated into the vocational training sector.

There appears to have been little development at “local” level, despite the large network of devolved bodies (or “antennae”) active in various areas, which could usefully interact with vocational training establishments.

From this point of view, and with the aim of achieving cohesion between training provision and **local** skill requirements, it would **seem to be necessary** to review the status of establishments and their staff in order to make their **management more flexible**. Such a review should be combined with a major **retraining programme for operators at all levels**.

“Support” establishments and bodies should be strengthened (with their respective roles also being rationalised) with a view to guaranteeing technical support for operational structures and making the entire system cohesive.

Greater involvement of the social partners should be sought, and this should not be restricted to purely consultative procedures. Since representative bodies of employers and employees (particularly in the private sector) are still being established, **the training system should** make every effort possible, at the level of every establishment, to **intensify exchanges with enterprises**. This approach is also necessary in view of the intention currently being formulated by policy-makers to strengthen apprenticeship and continuing training. Another fundamental requirement is a campaign to give **an impetus to and support for the Chambers of Commerce** so that they can effectively fulfil the responsibilities entrusted to them under the law.

Upgrading of the training system cannot be based solely on savings achieved through rationalisation. Thus the problem of budgetary constraints arises.

The decision **to finance it through business** (under a levy/tax deduction mechanism), in particular as regards continuing training and apprenticeship, needs **to be implemented gradually** and following in-depth evaluations.

As regards management training, it would seem appropriate to develop bodies such as ISGP (*Institut Supérieur de Gestion et de Planification* - Higher Institute of Management and Planning) and INPED (*Institut National de la Productivité et du Développement Industriel* - National Institute of Industrial Productivity and Development), in the form of national and regional dissemination.

2. Political, economic, social and cultural situation

2.1. The political trend

The Constitution, adopted by referendum in 1989 (a few months after the proclamation of the state of siege following the bloody riots, which left several hundred dead), opened up the way to a multiparty system.

Following a substantial victory in the municipal elections, at the end of 1991 the FIS (*Front Islamique du Salut* - Islamic Salvation Front) was successful in the first ballot in the general election. The second ballot was cancelled and the FIS was disbanded. After that, acts of violence in Algeria instigated by armed groups inspired by Islamic fundamentalists left more than 100 000 dead and one million victims, according to an official report (material damage was estimated at some 3.5 billion dollars).

The Constitution currently in force (the fourth since independence) was adopted by referendum in 1996. The new Parliament was elected in the following year. The first elections since 1992 saw the RND (*Rassemblement national démocratique* - National Democratic Assembly) win one third of the votes, while the *Mouvement de la société pour la paix* (Society Movement for Peace) and the FLN (*Front de libération national* - National Liberation Front) each took around 14% of the votes and the two regionalist parties each won between 4 and 5%. These results were confirmed, with few changes, in the subsequent administrative elections. The electoral cycle, which came to a close at the end of 1997 with the election of two thirds of the State Council, confirmed the tendency towards a system with one dominant party, if not a single party.

In April 1999, Mr Bouteflika won the presidential election in the first ballot, with 74% of the votes cast, after which the other six candidates withdrew.

The new President has called for national reconciliation and has shown his open-mindedness by pardoning several thousand Islamic fundamentalists.

The bill on “civil reconciliation”, already ratified by Parliament and the Senate, which provides for (partial or full) exemption from prosecution for Islamic fundamentalists not involved in murders, was the subject of a referendum in September 1999, in which it won general support from the population (almost all the votes cast).

This is the first concrete manifestation of the new President’s conciliatory approach, and it appears to have enabled the crisis to be put back in its political context.

However, alongside the surrender of Islamic fundamentalists, attacks resulting in more deaths are also being reported.

As regards international relations, the resumption of diplomatic activity is aimed at bringing the country out of its isolation: Algeria has been working on reconciliation with Morocco, and the Organisation of African Unity (OAU) summit, which took place in Algiers in July 1999, will have helped to consolidate its international role.

2.2. The economic context and recent developments

For some years, Algeria has been undergoing a profound economic change: from a State-controlled economy, dependent on hydrocarbon resources, to an economy oriented towards private initiative and diversification of sectors of activity.

At the start of the 1980s, the economic problems were masked by the increase in oil revenue. Economic changes became necessary following the fall in oil prices in 1986, leading to a reduction of some 50% in State revenue. Since then, Algeria has experienced a steady decline in GDP and hence a fall in consumption and an increase in unemployment.

Algeria initially coped with the oil crisis in 1986 by increasing progressively its external debt (in 1994, public debt represented 99% of GDP) and its budget deficit, and until 1994 it experienced strong inflation and a continuing recession, before a major programme of stabilisation and macro-economic realignment (*programme de stabilisation et d'ajustement acro-économique* - PAS) was implemented, supported by an agreement concluded with the IMF and the World Bank. The programme is based on management of internal demand and household consumption, on a reduction in monetary growth and State deficits, on removal of State subsidies for products and enterprises, deregulation of prices and wage controls. Thus it constitutes strict management of the economy.

From the point of view of standardisation, a series of reforms have been implemented: the currency and credit act, the investment code, the business code, the labour relations act, the privatisation of public enterprises act, and establishment of a stock exchange.

The efforts agreed by the authorities are making the institutional framework more attractive for investment in and promotion of private SMEs. They relate in particular to funding, taxation, export promotion, training, and support for business creation.

In accordance with the mechanism for promotion of and incentives for investment (the 1993 investment code), investment can be undertaken freely except for activities expressly reserved for the State. It can be implemented in the form of capital or in kind, for the creation of new activities, expansion of capacities, regeneration or restructuring.

The programme of macro-economic realignment has had a positive impact: the external position of the Algerian economy has improved as regards both the level of debt and the balance of trade, public finances have gradually been stabilised, inflation has been reduced (from 29% in 1994 to 5% at the end of 1998), and there has been a small return to economic growth (an annual average of +2.4% between 1994 and 1998, as opposed to a reduction of 1.6% between 1990 and 1994) thanks, above all, to hydrocarbons and agriculture.

However, this return to growth is still insufficient and fragile. It does not yet have a structural foundation and has not yet led to an improvement in the employment situation or an improved redistribution of national income.

The programme of macro-economic realignment has been accompanied by a series of structural economic reforms. In particular, a change is under way from a planned and State-controlled economy to a market economy characterised by risk management and freedom of initiative, and by the introduction of economic legislation facilitating the transfer of public assets and various forms of partnership.

State businesses have been reorganised into industrial and financial holding companies required to play by the new rules - performance, productivity, financial profitability and competitiveness - in other words, in a remodelled economic system, with no monopoly, subject to competition.

The reform under way in the State productive system (dissolution of part of it and privatisation or regeneration of the remainder) has involved large numbers of redundancies. Despite this, public sector enterprises are still suffering from over-staffing. Almost 40% of the workforce employed in public sector enterprises have no skills. The main problem in the public sector remains that of restructuring in the industrial sense of the word. The means of production are out of date in technological terms, labour collectives are de-skilled in today's terms, and there are no modern management techniques. The main objective is now to upgrade these means of production.

The structure of the Algerian economy is still highly dependent on hydrocarbons (oil and natural gas), which still account for 90% of foreign exchange receipts and 29% of GDP (although this percentage is subject to major fluctuations according to production and price levels). On the other hand, the Algerian productive system is a system under constraint, that is to say a system dependent on external supply (production is highly flexible in relation to imports).

Agricultural GDP accounts for almost 10% of the total and is subject to significant annual variations depending on the production sector. Production by the manufacturing industry declined in the early 1990s (in the public sector, the annual fall averaged -3.8% between 1992 and 1996), and in 1997 it represented 9% of overall GDP. The construction sector accounts for a similar share in terms of value added (9.8%), as do government services (10.4% in 1997), which have experienced a significant decline owing to budget restriction policies (in 1992, they accounted for 12.5% of Algeria's GDP).

Despite the persistence of a number of structural weaknesses in the Algerian economy, the initial results of the programme of macro-economic realignment and the steady pursuit of economic reform that is under way make it possible to state that the conditions are now in place for a non-inflationary resumption of supply and, therefore, a policy of strong economic growth.

2.3. The labour market

The demographic growth rate has been slowly but steadily falling since the mid-1980s. It is now less than 2%, although for a long time the rate was above 3%.

The active population accounts for 26.5% of the total population (7.8 million people in 1997). Some 5.7 million people, of whom 19% are women, are estimated to be in employment. The employment rate is thus 71% of the active population.

Salaried employees now account for only 59% of those in employment, 52% of them in public services.

Job supply increased from almost 14 000 jobs a year in 1985 to 40 000 jobs a year in 1995, and the jobs available have undergone many changes. Salaried employment guaranteed by the State for an indefinite term is marking time, while there has been an increase in temporary, precarious and low-skilled employment.

Employment in the informal sector is estimated at 16% of the overall working population. Homeworking doubled between 1990 and 1996 (and now accounts for almost one million people).

Employment statistics have not been updated; in particular, little is known about employment in agriculture and employment in the private or informal sectors. In 1997, the breakdown of employment by sector was as follows: 16% in agriculture, 10% in manufacturing industry and the same percentage in the public buildings and works sector, with public services accounting for 23% of employees, business for 15% and services for 26%.

If this labour structure is compared with that for GDP, marked differences between sectors of activity are apparent as regards labour productivity in Algeria.

From 1986 onwards, there was a net reduction in the job creation rate. Unemployment continued to rise - from 17% in 1986 to 29% in 1997, since when the rate of increase has slowed down. 2.1 million people are currently unemployed.

Unemployment in Algeria can be summarised as follows.

Over 80% of the unemployed are aged under 30. In particular, almost 70% of young people aged 16-19 are unemployed, as are 50.5% of 20-24-year-olds and 35.1% of 25-29-year-olds. These data clearly illustrate the damaging labour market impact of educational deficits.

Two thirds of the unemployed are new entrants, i.e. they have no work experience. This constitutes "integration-related unemployment", which leads to a serious problem of social exclusion.

Unemployment primarily affects unskilled workers: almost one million of the unemployed has an average level of education and almost 73% of the unemployed have no skills.

Unemployment is tending to increase among people with qualifications from higher education.

Long-term unemployment is increasing. The time spent seeking a job increased from 23 months in 1989 to 27 months in 1996. In 1996, 55% of the unemployed had been looking for work for over a year and 35.4% for over two years.

One third of the unemployed are experiencing “reintegration-related unemployment” (among re-entrants). 30% of them come from the public buildings and works sector and 17% from agriculture. In the public sector, employment is decreasing in general, in particular since 1996. At the end of the first six months of 1998, the number of workers squeezed out of the public sector was 213 000, almost 39 000 of them by way of early retirement.

Unemployment among women is increasing sharply: in 1996, the female unemployment rate was well above the national unemployment rate, being estimated at over 38%.

From the social point of view, it should be mentioned that over 28% of the unemployed belong to households with nobody in employment, and 83% of the unemployed are unmarried. Thus lack of employment constitutes one of the major obstacles to starting a family.

Projections have established that in 2000, the total population will be close to 31.6 million, compared with the current total of 29.3 million, indicating that the active population is likely to increase by over one million. At that point some 3 million people will be unemployed. Thus 250 000 new entrants come on to the labour market every year. To keep unemployment at its present level, it will be necessary to create 250 000 to 300 000 new jobs a year, while to achieve full employment, it will be necessary to create some 750 000 new jobs per year. It is estimated that an effective employment policy calls for an annual economic growth rate of 7-8% and an additional borrowing requirement of approximately 6 billion dollars. (For medium- and long-term scenarios, see 3.2.10.)

The human resources available need to be “put to work” and encouraged to improve their productivity. This is dependent on the speed with which the new economic environment and the new enterprise culture are adopted by society. It would seem that this could be achieved only through consultation and social dialogue.

Pending a return to employment linked to economic growth, employment policy is currently based on two axes (see also 3.2.9): implementation of the so-called job security mechanism; support for the creation of low-skilled “temporary” jobs with a high work content, and the creation of enterprises and self-employment.

2.4. Social problems

In social terms, the monetary, budgetary and price realignments, combined with restructuring of public enterprises, have generated a cost which is beginning to be extremely high, particularly for the most vulnerable fringes of the population.

The job losses and erosion of purchasing power which are the spin-offs from this risk, in turn, extending the scope of social exclusion.

This is all the more true given that the period of recession which has lasted for almost ten years, aggravated by less than efficient management of the social sphere, has resulted in a deterioration in the conditions for satisfying social needs, more difficult living conditions for vulnerable categories of society, and an increase in social imbalances (such as the very high level of unemployment, enormous educational deficits, the housing crisis and the deterioration in health care).

Moreover, a rate of population growth still amounting to around 2% (which, according to demographic forecasts, will not fall to 1.2% until around 2025) makes it difficult to achieve a real reduction in unemployment, and an exodus from the land is helping to increase the numbers of the urban proletariat.

In 1988, 24% of the population were affected by poverty, while in 1995 the proportion had increased to 42.4% or 11.9 million people.

It should be noted that poverty affects twice as many people in the rural environment as in urban areas. Poverty is, in particular, associated with unemployment: the unemployment rate is 44% among the poor (as against 27% of those who are not poor).

Between 1987 and 1995, private consumption per inhabitant fell by 28%, contributing to the deterioration in household living standards.

There was a substantial deterioration in the purchasing power of wage earners in the 1990s. They lost 30% of their purchasing power between 1990 and 1996. The gradual deregulation of prices (which speeded up in the context of agreements concluded with the IMF) and the wage-price spiral began to affect Algeria's economic life (between 1990 and 1998, the retail price index multiplied 4.6% times).

The removal of food subsidies reduced the purchasing power of the underprivileged by 20%.

Public expenditure on the social sector amounted to 38% of the State budget in 1987 and fell to 29% in 1994.

Moreover, stabilisation of the deficits of the National Social Security Fund and the national pension fund confirms that the system's structures are inappropriate, insofar as the balances are achieved to the detriment of the quality and level of benefits. The reduction in the number of contributors owing to unemployment and to the trend towards undeclared work, combined with the steady increase in the number of beneficiaries and of those with entitlement, makes it difficult to maintain the level of benefits.

2.5. The cultural situation

In the current phase of Algeria's history, the field of culture is virtually inseparable from those of politics and religion.

The adoption, in 1998, of a law recognising the Arabic language as the only official language resulted from criminal acts perpetrated by the fundamentalists and gave rise to protests from the Berber population.

The general principles of a new education policy set out by the Higher Education Council in the same year seem, in this context, to indicate an attempt to find a balance going beyond the present situation, national identity being expressed as “Islam in terms of religion, lifestyle and civilisation... Arabic in terms of civilisation, culture and language, Amazighité in terms of culture and heritage, an integral component of national identity”.¹

In 1984, the new Family Code was adopted, bringing with it a significant reduction in women’s rights. This decision was adopted only one month after the first impressive demonstration by the Islamic fundamentalist movement. The Family Code is at variance with the constitutional principle of equality between the sexes, particularly in the context of divorce and inheritance. Particularly community movements and the fringes of public opinion also dispute other provisions. The pressure exerted, together with the ratification in 1996 of the Convention on the elimination of all forms of discrimination against women, led the Government to put forward amendments to the Family Code. A bill amending this Code is before Parliament.

The transformations brought about by the economic reforms have also produced a number of changes. Further to the 1989 Constitution, a multiparty trade union and political system was instituted, community life developed and press freedom led to the multiplication of private newspapers. At the same time, human rights organisations were accepted and several international conventions on the rights of individuals were ratified.

The organic law adopted in 1997 in accordance with the 1996 Constitution stipulates that political parties may not be founded on a religious, linguistic, racial, regional, gender or corporatist basis. The new Constitution renews provisions on fundamental freedoms and economic, social and cultural rights and confirms the primacy of international treaties and conventions ratified by the country over internal laws.

The press is no longer subject to government monopoly and has been opened up to private initiative, enabling debates to take place and points of view critical of government policy to be formulated. Between 1991 and 1997, the number of publications grew from 49 to 79 (57 of them private) and circulation increased from 760 000 to over 900 000.

However, the Government retains a monopoly on dissemination by audio-visual means. Internet dissemination could open up interesting prospects, given the country’s geographical characteristics, but for the time being the network infrastructures are inadequate and there are only 4.1 telephones per 100 inhabitants.

¹ Presidency of the Republic, *Conseil Supérieur de l’Education* (Higher Education Council), “Principes généraux de la nouvelle politique éducative et de la réforme de l’enseignement fondamentale” [General principles of the new education policy and the reform of basic education], March 1998.

3. Analysis of the vocational training system

3.1. Overall design of the education/training system

The role of the Ministries of Vocational Training and Education in the global public provision of training must be viewed in the context of the dynamic of the reforms planned in this country over the past year. Despite the fact that this provision is broken down at the level of the various ministries (the Ministries of Energy, Tourism and SMEs), i.e. a specific provision in each sector, note should be taken of the recent promotion of vocational training that has been carried out with a view to sorting out and readjustment of the public provision of training. The bill for a framework law on vocational training has the precise objective of “unifying the design” of public provision, which is currently lacking in clarity. 95% of the global provision of general and technical initial training is currently provided by public institutions. It is impossible to tell from the statistics the share of sectoral institutions that are under the supervision of other ministries. The private vocational training sector is still in an embryonic state, but is developing rapidly. This massive readjustment requires an equally sizeable accompanying policy, within the scope of which the recommendations of this report will lie.

3.1.1 The system’s general structure

One Algerian in four is currently taken into the education/training system, which accounts for more than one quarter of the State budget or 7% of GDP. Between 1974 and 1998, the numbers working within the system went up from 2.9 million to 8 million, the number of teachers from 80 000 to 380 000, and the number of establishments from 8 500 to 21 000, 1 200 of them in post-basic education and almost 750 in vocational training.

In Algeria, vocational training is part of the education system; competencies are distributed among the different central administrative bodies involved in managing the system based on an organisational selection process that is not geared to institutional distribution. Instead the main concern, particularly with initial training, is to integrate them into the educational and skills levels and paths. Consequently, official terminology uses the term “sub-systems” to describe general education, technical education and vocational training, the latter constituting an individual “system” to which a number of parties responsible for the implementation of initiatives relate. Nevertheless, “centrifugal” movements exist and certain sections of this system operate in accordance with the concerns and logic of the players within them. The formal value of diplomas is the main cohesive element in the system, even though in fact, as we shall see, the various types of diploma are subject to a very strict hierarchy, which means that a marked selectivity operates as regards the progress of and route taken by individuals through the levels and paths in the system.

Given the training system’s profound (and sometimes perverse, in the opinion of officials) dependence on the education system, we should look briefly at the characteristics of the latter, particularly as regards the elements which appear to exert a direct or indirect influence on the vocational training sector.

The 1984 teaching staff planning act organises the education and training system into three types of education with different but complementary objectives:

- compulsory basic education, covering a nine-year period, providing basic education common to all pupils (children aged 6-16);
- post-basic education, covering secondary education for a three-year period, divided into general secondary education and technical education and leading to the school-leaving examination qualifying students to enter higher education or working life;
- higher education, responsible for training senior management staff and research workers, which is open to holders of the school-leaving qualification and provided in universities, institutes and university-level schools.

Basic education is broken down into three stages, each of three years, the last of which should provide polyvalent education. In fact, this objective rarely seems to be fulfilled, something that has consequences both for the integration of young people leaving the education system into employment and for their orientation towards the various branches of secondary education and vocational training. This is a limitation of the whole Algerian education system, namely the fact that it attaches greater importance (both in education and in evaluating students) to preparing students for higher levels of the system than to preparing them for working life.

At the start of the 1998-99 school year, there were 7.6 million pupils undergoing basic education, with an annual growth rate of around 2% in the three preceding years. Of these, 740 000 were new entrants in their first year, although the number of newly registered children aged 6 had fallen by 1.6%. This fall could be due to demography, but the possibility cannot be excluded of a reduction in admission to schooling linked to the financial situation of households and concern for safety. A very high percentage of children have to repeat a year, with figures of over 10% in the first cycle, 15% at the end of the second cycle, and 30% in the 9th year. The dropout rate is relatively low in the first cycle, 7% in the 6th year, and over 24% in the 9th year. It is estimated that some 350 000 pupils drop out in the last year of basic schooling.

The main reason for such a poor return is believed to be inadequate teacher training, with their starting level being low (most of them do not have a school-leaving qualification, although the level formally required is school-leaving qualification + two years), and in-service training is very rare.

Secondary education totals 904 000 students (at start of the 1998-99 school year), with girls accounting for almost 58% of the total. It constitutes the only access route to university education. In the past three years, student numbers have increased by an average of 2%. It channels the flow of students towards the highly selective school-leaving examination (success rate of 20%) in a system, which claims to be extensively democratised. In fact, it is highly selective even at basic-school level, not only because of the dropout rates, but also because of the rate of transition from basic school to secondary school, which cannot be more than 50% (and in fact does not exceed 48%), and taking account of the fact that the direction taken by students on completing the 9th year of basic education is based on their school results. Secondary education, lasting three years, is based on a first year which includes a three-fold common-core syllabus, but which in practice largely determines the structure of the education in the two subsequent years. In the second year, a new direction is followed, based on the original common-core syllabus and the results achieved in the first year. There

are two types of school-leaving qualification: technical certificates on completion of technical education and secondary education certificates on completion of the other branches.

Around 58 000 students are taught by correspondence, 70% of them at secondary level, a figure equivalent to 23% of school dropouts. This teaching method is used mainly for students wishing to acquire a school-leaving qualification.

The average dropout rate in secondary education is more than 10%, and is as high as 30% in the last year, the third secondary year.

A study which followed a group of students from the first basic year to the third secondary year (last year) over the period 1979-80 to 1992-93 showed that only 39% of students complete the basic cycle without repeating a year and that 37% leave basic education before reaching the ninth basic year. Students completing basic education do not necessarily emerge with a certificate; only 18.5% of the group studied passed this examination, fewer than half of them at the first attempt. 27.5% of the group reached the third secondary year and 7.2% obtained a school-leaving qualification.

The return does not appear to be consistent with the financial outlay, with 5% of GDP being devoted to national education (excluding higher education and vocational training).

In its Report for 1998², the *Conseil Supérieur de l'Education* (Higher Education Council) puts forward a number of diagnostic points, including the following:

- the financial constraints, apparent from the expenditure incurred and the difficulty in increasing it, which are all the more significant given that “training costs are poorly managed and the majority of the expenditure relates to staff remuneration, to the detriment of teaching media”;
- the current economic constraints, combined with security factors: “this has affected teaching and training activities owing to the destruction of establishments and equipment, attacks on staff and students, and the constraints imposed on the educational team by terror in certain regions”;
- the socio-economic situation of teachers and students’ families, which affects management of the sector; the problems of the situational constraints are reflected in the gap between the speed of economic, political and cultural change and the capacity of schools to assimilate it and take it on board.

² Presidency of the Republic, Higher Education Council, “Rapport annuel d’évaluation de la politique nationale de l’éducation et de la formation pour l’année 1998” [Annual report evaluating national education and training policy for the year 1998].

The Report describes other problems that appear to be structural in nature:

- the low skills level of teachers;
- the school dropout rate;
- schooling conditions in rural areas;
- inadequate technical and teaching equipment in establishments;
- the cumbersome nature of the system and its consequences for management methods, response times and the time required for change.

In the immediate future, as from the start of the 1999-2000 school year, a temporary but vast plan for retraining teachers is being launched for the next five years, with a view to reforming the recruitment methods and levels for new staff. The plan, which is based on the occupational obligation to undergo in-service training, aims to retrain all trainers in their teaching discipline, by means of a training credit of one week per year, granted to all teachers. The plan covers 220 000 staff and it is also intended to make use of distance training.

Higher education is provided in:

- universities, culminating in various diplomas based on levels and specialisms;
- institutes of specialised training and university-level schools awarding degrees or engineering diplomas or equivalent;
- institutes of education technology, which award skills training certificates in basic education (it is planned to establish university-level schools to train staff in secondary education).

In the action programme of the Ministry of Higher Education, various actions aimed at reforming the system are planned, in particular:

- drafting of a law governing higher education and of implementing legislation;
- revision of rules and regulations governing universities;
- award of the status of higher national college to certain higher education establishments;
- creation of a new university;
- drafting of texts on the educational reorganisation of studies for a school-leaving qualification and post-secondary studies;
- restructuring of the *Office des oeuvres universitaires* (Office for academic activities).

There are 57 higher education establishments in 33 university towns, and the infrastructures of other sectors have recently been transferred to them. In the 1998-99 university year, there were 384 000 students (an increase of 11% compared with the previous year), 62 000 of them registered for short courses. As a proportion of total student numbers, the latter increased from 14.7% in 1997-98 to 24% in 1998-99.

In addition to the numbers cited, there are 52 000 students registered with the UFC (*Université de la formation continue* - university for continuing training) in 35 *Wilayates* (regions).

Short courses include a 30-month course of training for advanced technicians.

The UFC is designed for young adults who have not obtained a school-leaving qualification but who wish to continue their studies. Training is provided in a number of branches over a three-year period, culminating in the university diploma of applied studies. A correspondence course in training is being piloted in one branch, but other methods of distance training are also planned. The university has equipment for audio-visual training (radio workshop) and produces various specialised broadcasts, which are transmitted by the national TV channel. It also has an IT workshop which is experimenting with the production of modules for network dissemination via the Internet. The UFC had a budget of 23 billion dinars last year.

Technical and vocational training can be divided into five categories:

- technical education: technical schools, universities, institutes and university-level schools, issuing technicians', advanced technicians' and engineering diplomas;
- vocational training institutes issuing State-recognised diplomas and advanced technicians' diplomas;
- vocational training centres issuing certificates of aptitude;
- in-company sector training under the aegis of Ministries such as the Ministries of Industry, Trade and Tourism;
- private training provided in approved establishments.

Thus the national vocational training system includes four networks: the network of public vocational training institutions attached to the SEFP (*Secrétariat d'état de la formation professionnelle* - State Vocational Training Secretariat), public institutions outside the SEFP, in-company vocational training, and the network of private vocational training institutions.

3.1.2. The specific features of technical secondary education and short university-level courses as regards vocational training

Law no. 84-05 establishes three objectives for technical secondary education: preparing young people for working life, preparing young people for complementary training provided in approved vocational training centres, institutes and establishments and access to higher branches of education.

An analysis of the many regulatory changes that have affected technical education shows that they reflect the main events that have shaped both the economic context and the development of the education system.

Until 1970, the model remained similar to that prior to independence, with a short three-year course within mid-level education, leading to a CAP (*certificat d'aptitude professionnelle* - certificate of vocational aptitude). At secondary level, technical training linked to the CAP prepared students in three years for a *Brevet de maîtrise* (training skills diploma), while a five-year training course on completion of basic education led to the award of a *Brevet d'études commerciales ou industrielles* (diploma in business or industrial studies). In 1970, these paths were partially modified and the *Baccalauréat de technicien* (technician's school-leaving certificate) was introduced.

Between 1970 and 1980, mid-level education was standardised in colleges of mid-level education and the short course in technical education was abolished. The technical schools were retained and *Technicums* (technical vocational diploma) were created (and abolished again soon after), to provide short courses of training for students completing the second and first years, followed by a second course providing training at technician level.

In the 1980s, training in the *technicums* was aligned with that provided in technical schools, certain branches of higher education were opened up to holders of the technician's school-leaving certificate, and the short course of technical education was restored between 1980 and 1984, culminating in the BCT (*Brevet de capacité technique* - certificate of technical ability). The current structure of secondary education dates back only to 1993, with technical education being provided in schools and comprising two types of branches: the technological branch (mechanical, electrical and civil engineering, management and economics) and the technical branch (electronics, electrical engineering, machinery manufacture, building and public works, chemicals, accounting techniques). An IT branch was recently closed down because it did not link up appropriately with similar training courses in higher education.

It is a long time since technical secondary education issued skills-training diplomas (*diplômes qualifiants*). Only the vocational training sector can provide training leading to diplomas at this level. This has led to ambiguity as regards the functions of this sector, which aims to be pre-vocational while enhancing the value of academic education. Even the intended aim of enhancing the status of technical education by bringing it closer to higher education does not appear to have been achieved, since the added opportunities for young people obtaining the school-leaving qualification in this branch appear to be very limited. As a result, a steady decrease has been observed in the numbers in technical education since the mid-1970s, when the proportion was no higher than 12%, falling to 7.5% at the start of the 1998-99 school year. The only exception was in 1990 and 1991, when an automatic channelling system was introduced, although this was subsequently abandoned.

At present, virtually all those completing this course of education are forced to seek supplementary training in order to enter working life. Following the reduction in numbers, existing infrastructures and equipment are being under exploited and this branch of education has become socially devalued, the returns achieved are clearly less than those from general education (particularly as regards the rate of attainment of the school-leaving qualification), students from this branch are not going on to higher education; there is a lack of co-ordination with vocational training, difficulties with integration into working life, the

teaching programmes have failed to adapt, and there is no technical and scientific documentation.³

University-level teaching provides for the training of advanced technicians in 30 months (Level V, DEUA (*Diplôme d'Etudes Universitaires*) diploma). In the 1997-98 university year, almost 47 000 students were registered for short courses, i.e. 14% of total students registered; 28 000 were registered in technological branches and, in particular, 12 000 in the information technology (IT) and computerised administration.

Some 8 000 students are registered for level V training in establishments “outside the Ministry of Higher Education”. There has been a sharp fall in numbers since the transfer of responsibility for these establishments; in 1997-98 almost 7000 students obtained level V diplomas and some 1300 new students were registered.

Only 10% of DEUA-holders continue their studies. From the point of view of integration into employment, advanced technicians leaving university are competing with engineers and, in sectors other than public service, DEUA-holders compete on the job market with advanced technicians who have undergone 30 months of vocational training and do not necessarily have a school-leaving qualification.

3.1.3 The evolution of the vocational training system

In order to gain a better understanding of certain aspects of the current system and also the “cultural” origin of the concerns and the viewpoints of those responsible for the sector as regards improving the system, it is helpful to provide a brief outline of the changes in the vocational training system over time.

In the 1970s, the economic impetus engendered by national development plans generated a major need for skilled workers, technicians and management staff. In order to compensate for the shortage of training facilities, socio-economic sectors (ministries, public companies) began creating their own training structures to meet their needs. The authorities therefore granted employers a high level of freedom to train managers and covered virtually all the relevant financing. From that point onwards, higher institutes of technology, university-level schools and other training establishments were created, attached to the agricultural, energy, finance, education and health sectors, etc. Enterprises also developed their own internal training structures to meet their specific needs, designed to provide both initial training for new employees and continuing and alternating training for their existing employees.

The objectives of the economic plans of the 1970s were achieved only in a very small way, but nevertheless the country lived through a period in which the primary role of training was to meet the needs of the economy. Despite certain limitations inherent in this model (there was no shortage of criticism of the emphasis on adequacy), it made it possible to explore and implement many management mechanisms and conceptual tools aimed at interpreting and forecasting skills requirements (even if it was a matter of “planned requirements”) in the productive system, and at implementing responses. Since this

³ Cf. CERPEQ-GTZ, “Etude de visibilité sur le système de formation-insertion-emploi en Algérie” [Visibility study on the training/integration/employment system in Algeria]: study implemented within the framework of technical cooperation between Germany and Algeria in 1998.

experiment does not lie too far in the past, its constructive legacy is still apparent in the inclinations and skills of some training staff in the sector, who want to enhance the role of training to reflect an economic demand that is becoming increasingly difficult to clarify. Moreover, the division of training provision among different institutional players deviates from the decisions taken at that time and does not facilitate construction of an integrated system, as advocated in all the official documents, which often means that resources are underused.

It must also be mentioned that owing to the economy's urgent need for skilled workers, and in the absence of an adequate number of efficient public-sector training establishments, in the 1970s public companies in the industrial sector created their own training structures (company centre or training workshop). This heritage was largely lost with the conversion of the productive system.

In 1985, nearly 50 companies in the industrial sector had 106 training structures with a total capacity of almost 15 000 training positions, enabling nearly 94 000 workers to benefit from supplementary training courses in addition to their basic training. The economic crisis led to an abrupt drop in training provision by the sectors of the economy. Between 1985 and 1989 there was a 39% fall in the number of trainees and a 63% fall in those studying for diplomas. At the same time, in-company continuing training recorded a drop of 36%.

No specific public structure for inter-sector training was put in place until the end of the 1970s, when the country set up a national vocational training system claiming to be "unified in design and with decentralised management".

A number of decisions were adopted in the context of the five-year plan for 1980-84:

- institution of a government structure responsible for vocational training (*Secrétariat d'état* - State Secretariat);
- development of specific training facilities via the creation of 300 CFPA - (*Centres de formation professionnelle et d'apprentissage* - Vocational Training and Apprenticeship Centres) and of IFP (*Instituts de formation professionnelle* - Vocational Training Institutes), specialised by occupational sectors and with a national brief, and with a remit to produce tools and provide trainers with (advanced) training;
- the creation of the INFP (*Institut national de la formation professionnelle* - National Vocational Training Institute), responsible for drawing up training programmes, providing training establishments with teaching support, and providing administrative and teacher training and advanced training for the training staff in establishments;
- development of "non-traditional" training methods designed to increase the involvement of sectors of the economy in planning initiatives and to ensure increased participation of the population.

This concern to diversify training provision was given concrete expression in:

- the promulgation as from 1981 of a law on apprenticeship with the dual aim of meeting a social need for training of young people with low levels of education and increasing the involvement of companies and craftsmen in the training of workers to meet their own needs;
- promulgation of the 1982 decrees organising and regulating the participation of companies in “the national training endeavour”, implementing the General Workers’ Statute, standards which were later overtaken by promulgation of the *Loi portant autonomie des entreprises* (Corporate Autonomy Act);
- creation of the CNEPD (*Centre National de l’Enseignement Professionnel à Distance* - National Centre for distance vocational education);
- creation of bodies providing teaching support.

The reform process did not in practice follow an altogether linear path, and in the 1980s the vocational training sector underwent many restructuring processes, sometimes pursuing differing objectives. In particular, its return to the education sector in 1987 completely changed its mission, which was reduced by “planning of numbers in the education system” to a “simple instrument to absorb young people excluded from the school system, in particular those coming from basic education” (CNES⁴, 1999). This approach was implemented by mobilising 92% of the training system for the benefit of young people coming from the general education system and focusing on vocational training, with no checks of their motivation or of the real needs of the labour market. Consequently, the dropout rate increased considerably, going from 12 to 20% in the space of a few months, and the labour market for Level I, II and III occupations (skilled workers) was quickly saturated. At the same time, this policy took no account of dropouts from the final year (third secondary year) of secondary education, since it focused primarily on those excluded from basic education. The process of re-deploying existing training provision does not appear to have taken the structure of the school dropout rate sufficiently into account.

Moreover, as we have already emphasised, during this period a large part of skills training was entrusted to sectors of the economy (cf. 3.1.2 – paragraphs 3 & 4).

Not until the end of the 1980s was there a substantial increase in the number of young people from secondary education seeking vocational training, compared with those from basic education; this situation led the sector (whose decisions were expedited by pressure from companies) to put in place supplementary training facilities by creating 15 INSFP (*Institut national spécialisé de formation professionnelle* – National Specialist Institute for Vocational Training) for the technician and advanced technician levels.

However, this effort was insufficient to meet needs, and the limits of expansion of in-house training facilities (i.e. in residential training) were rapidly reached, particularly as regards the financial costs incurred as a result of the acquisition of equipment and the time needed for implementation.

⁴ *Conseil National Economique et Social* - National Economic and Social Council

Recourse is made to other training methods, such as apprenticeship, evening courses, distance training and “à la carte” training at the request of companies as a way of fulfilling the objective of adapting provision to meet the various needs of those seeking training or the objective of accepting a greater number of trainees while containing management costs. “A la carte” training for companies represents an opportunity both to align provision with the needs of economic operators and to acquire resources supplementing institutional financing.

Nor are the most recent changes to the training system exempt from explicit criticism by the policy bodies directing and monitoring the system, in particular in respect of the inadequate growth and suitability of structures, equipment and management, the inadequate skills of teaching staff, the relative isolation of vocational training from the occupational environment, the low level of skills as regards teaching methods in the sector, and the inadequacy of consultation and co-ordination. Despite the reforms implemented, the priority is still to deal with losses from the education system, at the expense of quality-related aspects.

Since the beginning of the 1990s, the institutions have been working on a planned reform, the bill for a framework law on vocational training (currently before Parliament), which states that vocational training, as “a component of the national education system, shall work towards the Nation’s development and its economic, cultural and social progress”.

3.2. Role and missions of training in the development and promotion of human resources

3.2.1 Framework elements

The vocational training sector has a number of missions, the most important of which appears to be to meet the social demand emanating mainly from young people coming out of the school system, with a view to preparing them for integration into society and working life.

The sector also has the mission of providing retraining and continuing vocational training for workers and raising their skill levels, in order to bring them into line with labour market needs, via a cohesive network of establishments.

The main activity of the SEFP focuses on continuing expansion of training facilities and diversification of training methods and forms, at a time when, on the one hand, organised training provision by other sectors and ministries is declining and, on the other, a network of approved private training provision is coming into being and expanding in urban environments in particular.

The sector is endeavouring to improve the content of training programmes and make it more appropriate, by organising consultation of the partners through the CSE (*Conseil National Consultatif de la Formation Professionnelle* - National Consultative Council for Vocational Training) and the *wilaya* (regional) committees, and by concluding agreements with various sectors.

The vocational training system is also subject to pressures and constraints, the most important of which, as cited in the CSE report, are:

- limited budgets for equipment and operation;
- the diversity and inadequate cohesion of the partnership;
- the limited interest of young people in training;
- the need for the sector to abandon its role of concentrating almost exclusively on compensating for the inadequacies of the school system, in order to fulfil its economic and social functions.

Very recently, the CNES (*Conseil National Economique et Social* - National Economic and Social Council) emphasised, in its Draft report on vocational training⁵, the need to put in place the essential instruments to allow vocational training to regain a positive brand image in public opinion. The Council advocates the need for the training sector to “redouble its efforts to rectify its negative image with its natural partners, in particular young people and their families”, with the aim of countering:

- the model for social and professional success which has gradually imposed itself on the country and which devalues manual work;
- an education policy which strongly favours paths involving general education to the detriment of technical and vocational education, “reducing the function of selection and guidance... to a logic of quotas determined on the basis of the places available in general education”, which “downgrades the image of technical and vocational training, which is often regarded in the collective consciousness as a fallback option or a route for failures”.

The multi-annual action programme drawn up by the sector aims to rectify the deficiencies noted and to face up to the challenges involved in the new calling assigned to it; this programme consists of:

- increasing the numbers accommodated by creating new structures, particularly in urban areas, where strong pressure is exerted by social demand for training;
- converting and equipping establishments handed back by other training sectors;
- improving training quality, taking account of technological developments;
- strengthening the links between education and employment.

In order to do this, the sector has extended the existing training methods by launching training in the form of evening classes and continuing training in partnership with public and private economic operators.

The SEFP has also expanded the nomenclature of specialisms by incorporating new fields identified by sector studies carried out by various institutions (CERPEQ, CREAD, etc.). The sector has also put in place an observatory to monitor the integration into working life of those with qualifications. Between 1992 and 1998, the CERPEQ (*Centre d'études et de recherche sur les professions et les qualifications*- Study and Research Centre for Occupations and Qualifications) carried out five studies on the integration of persons with vocational training

⁵ *Projet de rapport sur la formation professionnelle*

qualifications. These studies showed that the rate of integration is very low (from 10 to 16% depending on the year), and the rate of integration of young women is about half that of young men. Contrary to the findings obtained in 1992, the level of the qualification now no longer constitutes an advantage in terms of integration, and employment services play virtually no part in placement.

3.2.2 Training provision

In 1998, training provision amounted to 249 600⁴ training places broken down by training sector as follows:

- vocational training sector under the aegis of the SEFP: 164 100;
- other (public) training sectors: 50 000;
- public companies: 13 000;
- private companies: 22 500.

The theoretical figure for the number of trainees capable of being accommodated by the potential training provision in place is close to 410 000, if a technical coefficient of utilisation of capacities of 1.78 is adopted, owing to the somewhat variable ratio of positions equipped to training positions; one position equipped may correspond to several teaching positions⁵.

The SEFP sector, numbering some 264 000 trainees in 1998, represents approximately 65% of the theoretical training potential. In recent years, the sector has, on average (in terms of trainee flows), provided 110 000 training positions, all methods combined.

The other (public) training sectors, faced with a decline in their activities and hence recruiting fewer and fewer staff, have training structures that are extensively under-utilised. Owing to this situation, the authorities have decided gradually to transfer 37 000 educational places to the socio-educational sectors (national education, higher education, vocational training). The vocational training sector has benefited from the transfer of two ITMAS (*instituts de technologies "moyens agricoles spécialisés"* - Institutes of technology with "specialised agricultural resources") and five CFVA (*Centres de formation et de vulgarisation agricole* - centres for agricultural training and popularisation) under the aegis of the Ministry of Agriculture, as well as an institution of refrigeration technology attached to the Ministry of Trade. Other transfers have been made in the opposite direction, with the sector ceding structures to higher education and to a *Wilaya* (region).

In overall terms, and subject to optimisation of all educational capacities, annual basic and continuing training provision is estimated at 170 000 training places, compared with a current (formulated) demand of approximately 250 000 places in 1998, equivalent to a theoretical coverage rate of 70%.

⁴ The figures for training capacity under the aegis of the SEFP relate solely to residential training (source: SEFP); the source of the remaining figures is the CNES "Draft report on vocational training", 1999.

⁵ The coefficient of 1.78 was estimated by the CNES (cf. note 4).

The SEFP's vocational training network consists of training structures and support establishments. In 1998, the training structures consisted of:

- 761 training structures: CFPA – (*Centres de formation professionnelle et d'apprentissage* - Vocational Training and Apprenticeship Centres) (Levels I to IV), INSFP (*Institut national spécialisé de formation professionnelle* – National Specialist Institute for Vocational Training) (Levels IV and V), and
- support structures consisting of 4 structures, one an establishment for vocational training equipment;
- 6 IFPs (*Instituts de formation professionnelle* - Vocational Training Institutes) for training of trainers and teaching methodologies;
- INFP (*Institut national de la formation professionnelle* - National Vocational Training Institute): training of trainers and of establishment management staff, teaching methodologies;
- CNEPD (*Centre National de l'Enseignement Professionnel à Distance* - National Centre for distance vocational education): distance vocational training;
- ENEFP (*Etablissement National d'Equipement de la Formation Professionnelle* – National Institute for VET-equipment): acquisition of technical teaching equipment for training establishments and provision of technical documentation;
- CERPEQ (*Centre d'études et de recherche sur les professions et les qualifications*- Study and Research Centre for Occupations and Qualifications): studies on occupations and qualifications, monitoring of integration of those with training qualifications;
- INDEFOC (*Institut National de Développement et de Promotion de la Formation Continue* - National Institute for the Development and Promotion of Continuing Training): development of continuing training and support for apprenticeship.

The FNAC (*Fond national de développement de l'apprentissage et de la formation continue* - National Development Fund for Apprenticeship and Continuing Training) is currently being set up, a structure for the funding, promotion and development of continuing training and apprenticeship.

Training structures

Type of establishment	1997	1998	1999
CFPA	403	439	466
Related establishments	194	201	232
INSFP	28	42	57
IFP	6	6	6
Total	631	688	761

Trainee numbers by type of training

Type of training	1997	1998	1999
Residential	132 372	139 783	170 000
Apprenticeships	102 983	103 828	122 000
Evening classes	7 662	9 482	18 500

Training courses end with examinations leading to the award of State diplomas: CFPS (*certificat de la formation professionnelle spécialisée* - certificate of specialised vocational training), CAP, CMP (*certificat de maîtrise professionnnelle* - vocational skills certificate), *Brevet de techniciens* (technicians' certificates) and *Diplômes de techniciens supérieurs* (advanced technicians' diplomas); the corresponding levels are I-V.

The distribution of training capacities by type of establishment shows that over 88% of them are concentrated at CFPA level, with no change apparent over the years. INSFP capacities, designed to accommodate young people who fail their school-leaving examination, have declined in numbers in recent years⁶.

3.2.3 Training demand

The theoretical demand for training essentially comprises four population categories: school dropouts, young people waiting to enter the labour market, redundant workers and workers in employment.

There are more than half a million school dropouts every school year, over half of who drop out of the final classes of basic and secondary education.

An unspecified number of young people aged less than 30 without jobs are unemployed and have never followed a course of vocational training.

Between 1994 and 1998, 246 000⁷ workers lost their jobs as a result of restructuring of sectors of the economy, 63% of them from the building and public works sector. The CNAC (*Caisse nationale assurance chômage* - National Unemployment Insurance Fund) implemented specific measures involving retraining and adaptation to new skills.

The numbers of workers in employment obliged to or desirous of improving their skills are estimated at 100 000 a year, taking account of the technological developments and economic changes anticipated over the next decade.

Although the theoretical potential demand is therefore vast, the actual (or formulated) demand for vocational training, the figure resulting from actual registrations with training establishments, has been in decline since 1995.⁸

Moreover, only 48% of those registering for training actually present themselves for the entrance examinations. Consequently, training provision is virtually equivalent to actual demand, at least in overall terms. It is still the case that the distribution of demand in spatial

⁶ The number of INSFPs increased by one between 1995 and 1997 (from 27 to 28), and the number of trainees fell from 13 490 to 13 175 (source: SEFP statistical yearbooks). The number of INSFP establishments increased to 42 in 1998 and 57 in 1999; the figures for the number of trainees are not yet available.

⁷ This figure was cited by the CNES in its draft report on vocational training, based on IGT/M.TPSFP data. However, different estimates have been given of the number of workers made redundant following economic restructuring. In its report "*Projet de rapport national sur le développement humain*" [Draft national report on the trend in human resources], the CNES estimates this population at 360 000 between 1994 and 1998.

⁸ The reduction could be caused in part by recently introduced measures reducing the phenomenon of multiple registrations by candidates.

terms and in terms of training levels and branches shows major variations in relation to training provision.

If one considers only the potential demand constituted by those dropping out of the education system (annual flow), it can be concluded that 70% do not receive training.

At the root of this deficiency lie problems relating to guidance and information, inadequate training structures, and training methods and specialisms that are not aligned with the motivations and expectations of young people. Improved orientation could lead young people to review their approaches to skills training, as they sometimes choose training courses perceived as more status-enhancing, rather than specialisms more worthwhile in terms of labour market integration and self-employment. Explanations for the inadequate level of participation could also be sought in the burden that even free training places constitute for household incomes (travelling expenses, study materials, etc.).

In its Evaluation report for 1998, the CSE regarded the reduction in credits intended to cover the expenses of trainees classified as destitute as one of the reasons established for dropping out. This means that the physical capacity for training, residential and half-board, are under utilised.

There is no analytical information available on what becomes of young people not integrated into the training system. Studies and research would be required, if only to establish the comparative proportions who become unemployed, remain unemployed, are integrated into structured working life, or enter on an informal activity.

3.2.4 *Training methods*

3.2.4.1 In residential training

Residential training takes place in establishments and separate annexes which, taken as a whole, constitute the basic network of the training system under the aegis of the SEFP. The training network consists of 466 CFPA and their 232 annexes, 57 INSFP and 6 IFP providing training for trainers and management staff. Training provision for the technician and advanced technician levels is relatively low in relation to strong demand. This is giving rise to pressure for establishments to be re-deployed or for opening up of training departments that appear to have insufficient skills and adequate resources.

In 1998, there were 140 000 people in residential training, or 55% of the total number in vocational training.

The establishments are situated throughout the country, although they vary widely in terms of both structure and quality. They constitute:

- * reference points at local level for various initiatives that could be promoted by local communities and the other players involved;
- * the network through which the central administration, with support from its specialised institutions, disseminates its guidelines and its educational support mechanisms and media, enabling a level of consistency to be maintained in a system required to issue recognised diplomas.

The limitation of residential training lies in the risk of adopting “school-type” educational models. With this in mind, Decree no. 93-67 provides for the training provided in CFPAs to be implemented in the form of courses involving theoretical and practical elements, work involving application and periods of practical training in a work environment. These courses “have gradually been organised in the form of alternating training, divided between training establishments and the work environment”. In fact, these regulatory provisions remain theoretical and the objectives have only partially been achieved. The majority of training is intramural, and this sometimes results in over-equipment of training workshops and under-utilisation of teaching premises and media⁹. Those who favour other training methods see the choice of residential training, long adopted in Algeria, as underestimating regional or local economic potential and the labour market’s capacity for absorption (for alternating training). This choice would, above all, have complied with the constraints of territorial division in the 1980s and the logic behind the list of school locations. This approach is reminiscent of the planning method used in the education system, while vocational training is fundamentally different as regards its organisation and functions.

Nevertheless, it must be borne in mind that:

- * Algeria does not have “school-based” training provision, particularly as regards low and middle skills levels (as we mentioned in our analysis of the secondary education sector);
- * there are “modern” companies, newly created or upgraded, which can offer efficient alternating training, but their geographical distribution is probably not such as to assure support from work environments for all skills training.

However, the analysis shows that the management of residential training is dysfunctional in several respects. Establishments located in large centres of population are subject to a demand that they cannot meet in full, while the opposite applies to establishments in rural areas. This situation has been exacerbated by the closure of several boarding establishments. Despite this, the rate of utilisation of capacities is improving and has been above 90% since 1996, thanks to the use of workshops by two groups of trainees on the same day.

Dropout rates appear to be relatively low, being estimated at 12-13%, as the result of a recent improvement in methods of guiding and selecting candidates.

There remains the problem of the versatility of establishments and the “approval” given to specialisms across the country, which results in the saturation of some specialisms and a shortage of candidates for others.

These are significant indications of inadequate analysis of demand and a low level of involvement of the various players at local level in the planning of initiatives.

⁹ CERPEQ-GTZ 1998.

3.2.4.2 Apprenticeship

In legislative terms, the aim of apprenticeship is “acquisition, in the course of employment, of a recognised initial vocational qualification enabling a trade to be practised in various sectors of activity”. It relates to young people aged 15-25 who have dropped out of school and seek socio-vocational integration.

The number of apprentices to be taken on by employer bodies is laid down by law, based on the size of the workforce. Apprentices are paid a preliminary wage indexed in line with the guaranteed minimum wage. Local chambers are involved in apprenticeship activities: they help to draw up educational programmes, to conduct examinations at the end of training, and to select apprentice supervisors. The list of specialisms giving rise to training in the form of apprenticeship and the content of the supplementary theoretical training are laid down in regulations. Apprenticeship is, in fact, used in all Level I-III specialisms in training in establishments and now also in certain specialisms in Levels IV and V. In this connection, it should be noted that in 1998 another mechanism was created for technicians and advanced technicians, to facilitate their integration into the world of work: the pre-employment contract.

In 1998, some 104 000 young people were involved in apprenticeship training, or 41% of all persons receiving vocational training. There is a wish to increase apprenticeship numbers, but numbers are restricted owing to saturation of capacity because of the economic recession, which has not spared any activity, not even the craft industry, where the majority of candidates are placed. There are also signs that employers are reluctant to take on apprentices, possibly partly due to inadequate consultation.

The effectiveness of integration of apprentices into employment and the low costs involved make apprenticeship a major trump card in the Algerian vocational training system.

However, a number of limitations are apparent as regards the vocational skills of apprentices. The CNES draws attention to several constraints:

- * the lack of co-ordination between the various partners legally involved in this form of training; relations between the enterprise and the training centres are limited to identifying capacities and educational monitoring, with little attention paid to programme content;
- * the lack of co-ordination between theoretical training and practical training; “the enterprise and the training centre ignore each other”.

The results of a survey conducted on this subject showed that only 10% of enterprises have programmes agreed with the training centre.

The CERPEQ-GTZ report commented that since apprenticeship was put in place 15 years ago, it has developed very little in terms of quality: “...grafted onto training in establishments in educational terms, basically it continues to be on-the-job training with a predominantly practical content, in which the knowledge and know-how are acquired wholly in a work environment”.

Apprenticeship is short of resources of all kinds. Some CFPAs train three to four hundred apprentices, sometimes with the aid of one or two trainers. CFPAs are not succeeding in forming a network so as to ensure specialist training.

Adaptation of training programmes and increased involvement of enterprises are important elements of the problems of updating this training method.

Meanwhile, arrangements have been made to improve the quality of supplementary training, which will, in the future, be organised by training cycles and dispensed to homogeneous groups of apprentices with the same specialism or by occupational sector.

At another level, it should be mentioned that for several years INSFPs have been organising Level IV and Level V apprenticeship training, so far for very limited numbers of apprentices.

In 1997, training of some 104 000 apprentices accounted for 7% of the total budget granted to the sector.

The problem of resources for apprenticeship is linked to that of the participation of enterprises in the funding of training, which we shall address later.

Apprenticeship receives support from a national body, INDEFOC (*Institut National de Développement et de Promotion de la Formation Continue* - National Institute for the Development and Promotion of Continuing Training).

3.2.4.3 Distance training

The objectives of distance training are to increase and diversify initial training provision, aimed at young people who have been unable to enter residential training or an apprenticeship, and to prepare them for competitions and examinations organised by vocational training for access to State training or the acquisition of a State diploma.

This training is provided by the CNEPD (*Centre National de Formation à Distance* - National Distance Training Centre), which plans courses and homework and posts them to trainees' homes.

Both training leading to certification (leading to a State diploma) and skills training (leading to a qualification) are intended for candidates with an educational level of the ninth year of basic education and the third year of secondary education or who have a vocational diploma. There are around 30 specialisms relating to various sectors of activity: tertiary, agriculture, craftwork and construction.

Ten thousand trainees are involved, representing only 3.5% of trainees overall. However, it should be noted that this training method appears to be very worthwhile in terms of meeting a specific demand: the disabled, persons living in remote rural areas, young women who are not mobile, and workers who can do only part-time training.

The CNEPD has also trained 4 000 trainees at the request of various partners, either from the world of work or from the public service and the Chambers of Commerce.

Candidates are periodically brought together near regional centres, for educational monitoring and examinations. Mobile workshops are sometimes set up for these purposes. A study is under way on a possible agreement with the ANSEJ (*Agence Nationale de Soutien à l'Emploi des Jeunes* - National Support Agency for Youth Employment) - a body dedicated to promoting the creation of enterprises) on training for young entrepreneurs.

Training leading to a diploma is subsidised by the State, but participants are asked to make a contribution.

The CNEPD has a network of some 500 advisers to help with the drawing up of programmes and activity sessions. The INFP is responsible for approving programmes and diplomas.

3.2.5 *The role of sectors of the economy in initial and continuing training*

Several Ministries have training in specialisms in their sector of competence under their aegis. Establishments of this kind were developed in the 1970s with the aim of training managers for the specific requirements in each sector. The Ministries involved were the Ministries of Agriculture, Tourism and Craft, Youth and Sport, and Public Works.

These structures have provided training for various purposes (initial, supplementary, advanced training, retraining) for young people leaving the education system and workers already in employment. They are funded from the budget of the Ministries involved. The training usually leads to the award of specific vocational diplomas.

Other public sectors have transferred their establishments to the national and higher education systems or to the authority responsible for vocational training.

This redeployment is estimated to involve 37 000 training places.

The tendency for the training potential within sectors of the economy to be reduced, which began in 1986, has gained momentum in the course of the current decade, which has been characterised by the serious economic crisis and the restructuring process under way in all areas.

The potential within sectors of the economy is estimated at 50 000 teaching places¹⁰, only 13 000 of which are within enterprises. The potential is concentrated within the industrial sector.

¹⁰ This is the figure cited by the CNES for 1998, but it must be borne in mind that it may have changed since then owing to the transfer of establishments.

With a view to increasing training provision and guidance for young people and to maintain the existing potential, the SEFP implemented a formula for using these capacities in the context of subsidised training, restricted to training of technicians and advanced technicians.

The results for 1998 show that 13 centres took advantage of this formula, and that some 6 700 young people have been trained since 1990.

However, with the fees demanded by enterprises exceeding the allotted budgets, the SEFP has been obliged to discontinue this training programme.

Various formulas for safeguarding and optimising the existing potential are currently being studied. This concern has also found expression in public holding companies in the context of new relationships involving partnership and exchanges with the economic sector, and it is taken into account in the framework law currently being drafted.

The CNCFP (*Centre National Consultatif de la Formation Nationale* - National Consultative Council for Vocational Training) recently included in its programme a comprehensive inventory of training potential in the economic sectors, from the perspective of optimal utilisation.

The legislative provisions regulating in-company continuing training are fairly complex.

This right to training was first recognised in the General Workers' Statutes of 1978.

In 1982, three decrees laid down:

- the organisation and funding of vocational training;
- rules for approval of in-company training;
- the methods of recruitment and remuneration for in-company trainers.

In principle, these provisions apply to enterprises employing at least 20 workers; they are obliged to create a vocational training department responsible for drawing up and implementing training plans, ensuring that they are put into effect by means of a training budget, and drawing up regular reports.

In-company training activities lead to training certificates and certificates of vocational skills, which may be ratified and recognised as equivalent to diplomas issued by the Ministries responsible for vocational training and technical education.

In 1981, a public body, INDEFE, was created to provide enterprises with technical and teaching assistance. In 1990 it became a public commercial undertaking and was transformed into INDEFOC (*Institut National de Développement et de Promotion de la Formation Continue* – National Institute for the Development and Promotion of Continuing Training), which is responsible, together with the enterprises and bodies involved, for:

- carrying out studies and research linked to improving the content, methods and teaching resources of in-company training;
- developing and adjusting training content;

- providing advanced training and retraining for company trainers, apprentice supervisors and trainers responsible for supplementary training of apprentices;
- developing methods for evaluating training, to enable it to be ratified and approved;
- developing plans for equipping training structures;
- compiling and analysing documents and information relating to its mission, and disseminating and promoting exchanges.

The Institute is administered by a management board and managed by a general manager.

The aims of the decree setting out INDEFOC's new role (1990) proved to be out of step with those of businesses, as shown by their defensive withdrawal. By the end of the 1980s, training plans and budgets had become insignificant, "since training is no longer regarded as an investment, but as a cost difficult to bear in the context of an economic crisis. Consequently there has been a radical decline in enterprise demand for training. All that has remained is advanced training and retraining activities for management, with no real consequences for occupational practices, and limited activities involving refresher courses. Public companies are making no new investments and are no longer in a phase of economic growth. They are restricting themselves to the strict minimum required to produce and survive" (CERPEQ-GTZ 1998).

The situation is aggravated by workers' obsessive fear of losing their jobs; they have the will to progress, but wage earners perceive training as a disguised way of keeping them out of the way. The majority of SMEs regard training as being the State's responsibility, and their plans are not on a large enough scale to enable them to recruit and train. 75% of SMEs are family businesses. Industrial SMEs provide on-the-job training and prefer to turn to the labour market to recruit the skilled workers widely available today.

Large private companies also benefit from this situation. Following the slimming down of companies in the public sector, they can acquire the skills they need cheaply.

3.2.6 *Training in the private sector*

Approved establishments in the private sector have been developing since 1991, in the wake of the decree laying down the conditions for their creation and supervision. This decision gives expression to the concern of the authorities to continue to try to increase training provision, without systematic recourse to the State's financial resources. It also falls into the context of opening up of the economy to private operators. Private establishments provide general residential training, or specific training on request from their partners and clients. The main specialisms are IT, management, business, hairdressing and occupations in the clothing sector.

In 1998, there were 437 approved establishments with the capacity to train 33 600 people. In 1993, there had been 105 establishments, with the capacity to train 5000 people. Strong growth is forecast in this sector.

Completion of training is marked either by certificates issued by the establishment itself (if its "brand name" is sufficiently powerful) or by participation in public sector examinations with a view to obtaining State diplomas.

Some of these establishments work in partnership with foreign training bodies. This training is monitored by the State but receives no public subsidies.

In 1998, the fees charged ranged from DA 2 500 to DA 3 500 per trainee per month, depending on the duration of the course, specialism and establishment.

In the report quoted earlier, the CSE comments that little information is available on the level of investment, training costs and yield of these establishments. However, it has been observed that there is a tendency towards including specialisms involving a low level of investment, and that teaching staff tend to be part-time trainers, young diploma holders, or trainers and managers from the public sector. The main groups targeted are those leaving secondary education to train as technicians or advanced technicians, and occupations traditionally followed by women.

Establishments may be created by individuals or legal entities, subject to an order by the competent *wali*, on the basis of an opinion from the committee responsible for examining conformity with the requisite technical and educational standards.

The functioning and composition of the committee responsible for such approval is governed by the Decree of 1991.

In the current economic climate, characterised by a fall in household purchasing power, there is only a limited demand for initial training or training leading to a diploma in the private sector. To mitigate this constraint, some private trainers have concentrated on continuing training (advanced training, retraining, upgrading skills) in the form of short courses in specialisms that are sometimes very narrow, implemented in partnership with enterprises.

This training method could be developed further with the implementation of the FNFC (*Fonds National pour la Formation Continue* - National Fund for Continuing Training), funded by compulsory contributions from employers.

The CNES comments that in practice, there is little monitoring and supervision of the organisation and methods of private vocational training, despite requirements that involve approval. In addition, private establishments appear to be encountering problems in organising the examinations at the end of training, and in relation to recognition of the diplomas awarded. Incentive measures are needed, particularly fiscal measures.

3.2.7 *Involvement of the players and consultation*

So far we have discussed the involvement of several players such as the various authorities under whose aegis training falls, enterprises and private training establishments. We shall now turn to other aspects of partnership and consultation.

The concern of the authorities to link training to integration into working life and to the economy's needs, together with the objective of developing continuing and alternating training, has led to the creation of several consultative bodies.

In 1997, the CNCFP was re-launched. It is a co-ordinating body under the aegis of the Minister responsible for vocational training and brings together representatives of ministerial departments, professional organisations and unions, and experts.

This Council has devoted its activities to reporting on the results of vocational training and to prospective reforms, in particular those envisaged in the framework bill on vocational training and the amended Apprenticeship Act. In the opinion of the CSE, it is still too soon to evaluate the effectiveness of this Council, as "in the light of earlier experience in this field, it can be stated that concerted action can be effective only if it is organised on the basis of specific projects effectively involving each partner, since the system's difficulties essentially arise from the difficulty of giving concrete expression to integrated, cohesive and lasting projects".

The CNCFP was re-launched owing to the need to "construct an integrated vocational training system, unified in design and with decentralised management", as provided for in the regulations. Although great efforts have been made to construct a cohesive system, the Government recognises that training networks still do not operate efficiently and with synergism. "For objective reasons, linked to the context of their development, these networks have become juxtaposed spheres of activity that are cut off from one another and have no links or exchanges of experiences" (CNES 1999).

At local level, the prerogatives of the *wilaya* (regional) committees have been strengthened. The reorganisation of this body is aimed at improving consultation and increasing the efficiency of implementation of training policy and its integration into local economic development projects.

The limitation of this framework for consultation lies in the low level of representation of the social partners with regard to working environments, particularly as regards SMEs and the private sector.

Major segmentation can currently be observed at the level of employers' organisations.

There appears to be little involvement of local chambers in consultation.

However, the CNAM (*Chambre Nationale de l'Artisanat et des Métiers* - National Chamber of Craft and Trades), created by decree in 1992, has 20 regional chambers whose mission is to train and develop the craft sector, which has some 600 000 craft workers, two thirds of them producing goods and services and one third in the traditional crafts sector. These craft workers are divided into 24 occupational categories.

The crafts sector, which provides employment on a large scale, has been fragmented and marginalised by the policy of industrialising the country over the past two decades. A fairly substantial tax burden has led to craft workers being re-deployed in more lucrative business activities and in the informal sector. It is believed that even though craft workers often restrict their activities to the informal sector, they possess a vast hidden potential for employment and training which is not being exploited. However, the trend now indicates a revival in the sector, accompanied by large-scale recruitment of apprentices.

The Chambers of Commerce and Industry (CCI) and the Algerian Chamber of Commerce and Industry (CACI) were created in 1993. The regulatory mechanism governing them gives these institutions the power to represent the interests of commerce and industry vis-à-vis the authorities. The CCIs are local institutions bringing together all natural and legal entities exercising a commercial, industrial or service activity. They may be public or private-sector undertakings. The CACI has more than 17 000 members, the majority of which are SMEs. Like the CNAM, the CCIs play a part in initial and continuing training. To the extent of their remit, they contribute to apprenticeship training, participating in decisions on specialisms and the duration of the relevant training, and the implementation of examinations. Their mission is also “to undertake educational, training, advanced training and retraining activities oriented towards enterprises”. Despite this, training as a tool to improve competitiveness does not currently appear to be a concern for members of the Chambers. Large-scale information and awareness campaigns appear to be necessary.

In institutional terms, promotion of vocational training at local level is a matter for the *wilaya* (regional) employment and vocational training departments, which are responsible for developing and implementing all measures designed to stimulate employment and training.

These departments are responsible for instigating, co-ordinating and evaluating labour market development, identifying and proposing all measures designed to promote job creation, co-ordinating and evaluating the functioning of vocational training structures and resources, identifying and proposing all measures designed to ensure cohesive development of vocational training activities, assuring the collection, processing and dissemination of information, in particular statistics, linked to their field of activity, drawing up and updating the inventory of the *wilaya's* (the region's) vocational training, stimulating activities involving co-ordination between vocational training establishments and local employment offices, and economic operators and bodies responsible for education and youth, and to stimulate development of associations with a view to promoting employment and vocational training.

The links and interaction between these (administrative) departments and the *Wilayate* (regional) Committees, as consultative and participatory bodies, still need to be checked.

The CSE maintains that training planning powers at local level need to be decentralised. It is accepted that this is in effect an innovative approach in comparison with current management, but its effectiveness will depend on the existence of cohesive local development projects and the availability of the resources to implement it. The CSE emphasises that there is a need to create, at *wilayate* (regional) level, the conditions for effective decentralisation of decision-making powers, which will enable the organisation of training to be adapted to suit the specific socio-economic conditions and the local development objectives.

3.2.8 Technical and educational organisation

Training courses leading to diplomas (certificates and diplomas at Levels I to V) follow the nomenclature for training specialisms. The function of keeping the national nomenclature of occupations and qualifications up to date and of determining branches with a deficit is the responsibility of CERPEQ, a body whose remit was laid down in a decree of 1990.

Training should be provided in cycles, with theoretical and practical training alternating with periods of practical experience.

It appears that these objectives are being only partially attained and that intramural training is the predominant model.

Several bodies are involved in the field of programmes and advances. CERPEQ works upstream, in the field of research into occupations and qualifications, and on defining training nomenclature. Downstream, programme design is commissioned from the INFP, INDEFOC (as regards apprenticeship training and continuing training) and the CNEPD (as regards specialisms served by training in the form of correspondence courses). The IFPs, whose primary mission is training of trainers, and the INSFPs are also involved in developing programmes in certain sectors and for certain levels of qualifications.

In parallel with this, the competent ministries develop programmes of technical secondary education and short courses within higher education.

For some years, a review process has been under way for nearly 300 programmes, and this will result in implementation of a new form of educational organisation at the level of training establishments.

In addition to the aim of better adapting training profiles to meet the actual requirements as regards workers, the objectives aimed at are to reorganise specialisms by groups of occupations, to reduce equipment costs, to improve the rate of utilisation of training potential, and to introduce alternating training into training cycles, targeting the modules to be performed in a working environment.

This programme review also aims to design training modules, in order to facilitate “à la carte” training.

“A la carte” training is one of the challenges already facing establishments with a dynamic training staff capable of dealing with problems such as:

- providing short training courses capable of meeting a need for skills training, advanced training and retraining outside initial training and in the context of continuing training;
- reducing the budgetary constraints of establishments by meeting any demand that may be formulated and paid for by enterprises.

Implementation of the FNAC could enhance the value of efforts of this type.

Establishments are autonomous as regards their management and accounting, which means that they can acquire and administer orders and resources complementing those inherent in their institutional role. Use of part-time trainers ensures the necessary flexibility in respect of competencies and human resources.

The programme of “modularization” has been introduced and is currently being piloted in three sectors: buildings and public works, administrative and management techniques, and occupations in the clothing trade.

If the process that is in hand is successful, it will improve trainers’ skills, which are relatively weak, and will strengthen teaching methodology skills all levels.

To this end, and to improve the efficiency of the sector’s management at both national and local level, it is planned to change the status and remit of the INFP, the IFPs, the INSFPs and the CFPAs in particular. The SEFP recently prepared a dossier for a “review of the typical constitutions of vocational training establishments”.

With regard to equipment, the planned reforms will involve both rationalisation of their use and a need for new acquisitions. A central body, the ENEFP, has as its mission the acquisition of technical educational equipment for the benefit of training establishments throughout the country. This is a key function facilitating, in principle, economical and equitable (in relation to different establishments) management of purchasing, justified in the past by the (currency and customs) restrictions involved in importation. A possible reduction in this centralised management could run counter to the needs and capacity for initiative of certain establishments. In the context of the new missions entrusted to the ENEFP, that of documentation and technical advice is particularly welcome from the point of view of optimising training capacities.

3.2.9 The training/integration/employment system

In the 1990s, in the context of economic restructuring, Algeria has experienced a sharp increase in unemployment allied to a fall in investment, marked inflexibility of supply, slimming down of workforces in public sector companies, and increasingly precarious employment, exacerbated also by the school dropout rate.

Faced with this situation since 1994, mechanisms for combating unemployment have been developed (in April 1999, a national plan for combating unemployment was drawn up, proposing initiatives to supplement programmes already in place). The following key issues are involved:

- welfare schemes in the form of unemployment insurance (administered by the CNAC) and early retirement, accompanied by mechanisms (training, information, micro-credits) for reintegrating workers who lose their jobs against their will;
- an economic scheme based on the “welfare safety net”: CAIG (*Chantiers pour activités d'intérêt général* - sites for activities in the general interest), TUP-HIMO (*Travaux d'utilité publique à haute intensité de main-d'oeuvre* - highly labour-intensive works in the public good);

- support for youth employment: ESIL (*Emplois salariés d'initiative locale* - local initiatives for paid jobs), CPE (*Contrat pré-emploi* - pre-employment contract) and FNSEJ (*Fond pour la création de micro-entreprises* - fund for the creation of micro-enterprises).

Other activities aimed at creating and developing employment were put in place, including the following programmes in particular: major works (155 000 jobs over five years), agricultural concession (492 000 jobs in three years), rural employment (40 000 units), rural women (3000).

The unemployment insurance regime, instituted in 1994 via the creation of an unemployment insurance fund (CNAC), aims to ensure maintenance of an income for those who lose their job for economic reasons, against their will. The CNAC is fed by unemployment insurance premiums from workers and employers. Workers who lose their jobs and do not retire or take early retirement receive temporary benefits (for 12 to 36 months) and a monthly payment of between three-quarters and three times the SNMG (national minimum wage). As at 30 June 1999, 175 000 people “squeezed” out of their jobs were receiving benefits from the CNAC.

The CNAC has launched a programme to help those receiving benefits to be reintegrated into the labour market. They have already had occupations and have the prerequisites; if these are insufficient to enable them to find work, CNAC seeks to make them more employable so that they can be reintegrated as quickly as possible.

This programme is developing a number of activities, among which continuing training is the preferred route to reintegration.

It is a matter of enabling these people to acquire a supplementary qualification quickly or retraining them in such a way as to facilitate their reintegration.

The formula adopted is based on a very flexible training method, which “adjusts” distance training by considerably reducing the training periods (from 6 to 12 months instead of 24 to 30 months), compensating for the reduction by increasing the number of practical experience. Full-length courses (12 months) involve IT in the fields of management, accounting, taxation, commerce, etc.

The first initiative, in 1998, involved 200 people, and 2 000-3 000 people are expected to be involved in 1999, following the signing of an agreement between the CNAC and the CNEPD.

Similarly, in 1998 the CNAC implemented a measure re-deploying training for the benefit of those receiving unemployment payments in the context of a framework agreement signed in May 1998 with the Vocational Training Secretariat. This measure involved seven *wilayates* (regions) and related to three specialisms (renovation and decoration, heating and plumbing, plastering).

The CNAC's programme of assistance with reintegration also provides for helping those receiving unemployment benefit to look for work and to set up in business. In this context, a series of measures on employability have been put in place to support reintegration, namely the CRE (*Centres de recherche d'emploi* - Job Search Centres) and the CATI (*Centres d'aide au travail indépendant* - Centres for Assistance with Self-employment).

The 13 CREs in operation (25 at the end of 1999) provide support for job hunting via three weeks of group work supervised by advisers. Continuing training is provided for the latter in advisory techniques on the one hand and, on the other, use of the tools required for the operation and organisation of job centres. At the end of the initial advice session, there is a follow-up (documentation, information, advice, and secretarial support) lasting at least three months.

The programme of assistance with self-employment (implemented by 13 CATI centres - 25 are planned for 2000) provides training by advisers and supervisors who supply guidance, technical support, advice on setting up in business, and five years of post-start-up follow-up of projects. Following an information session, there is a ten-week training programme to develop the project and start it up.

In the context of the Welfare Safety Net (support for disadvantaged social categories), administered since 1996 by the Social Development Agency (ADS), sites for activities in the general interest (CAIG) involve persons of working age who have no income and are willing to participate in activities linked to maintenance of the public heritage, implementation and maintenance of urban and rural open spaces, remedial teaching, guidance in developing self-employment. The target populations (some 190 000 people a year) receive an allowance.

In the same context, the Government has launched the programme of State-approved Works (TUP-HIMO), which aims to create temporary jobs for poor populations in the development and maintenance of social infrastructures and the development of micro-enterprises. These are very simple jobs that are highly labour-intensive (at least 60% of the overall cost), implementation of which mobilises four Ministries at government level and also local authorities, which help to identify projects, and decentralised Ministry departments, which monitor technical implementation. The pilot phase of the TUP-HIMO has been financed by a loan from the World Bank and has involved some 33 000 people a year.

With regard to support for youth employment, the specific programmes of labour-market integration implemented relate to both temporary and permanent jobs.

Local initiatives for paid jobs (ESIL), launched in 1990 as a mechanism for welfare payments for the unemployed, address unemployed young people with moderate skills levels and also aim to help local authorities to implement State-approved works without mobilising their own financial resources. This mechanism enables unemployed young people to acquire work experience within a production unit or in the public services for a period of three to 12 months. Young people are recruited by the local communities, and ESIL currently deals with some 70 000 young people a year. 30% of participants are women, a level much higher than the proportion of women in the population in employment.

In 1998, the pre-employment contract programme (CPE) was put in place, targeting young people with university degrees or advanced technician diplomas, aged 19-35. It is also open to unemployed young people who have previously been employed through "waiting" programmes such as ESIL or CAIG. This contract can be renewed once, for a six-month term. Young graduates receive remuneration approximately equivalent to the SNMG and are given practical training and also guidance on the relevant job. Thanks to incentive measures aimed at employers, they can also increase their chances of permanent integration. It is anticipated that 15 to 20 thousand young people will take advantage of this programme this year.

One last mechanism, which began operating in 1997 with the creation of the ANSEJ (*Agence Nationale de Soutien à l'Emploi des Jeunes* - National Support Agency for Youth Employment), is the programme of assistance in the creation of micro-enterprises. To benefit from this mechanism, young people aged 19-25 must have a qualification in the niche selected, must make a personal contribution, and must register a project. They can receive interest-free credit or credit at an advantageous rate and can benefit from tax exemptions, but in particular, they are supported, counselled and supervised throughout the period in which they are implementing their investment project. The ANSEJ also assists young entrepreneurs vis-à-vis the institutions and bodies concerned with the investments and monitors the investments. At the end of 1998, of 61 000 dossiers submitted, 45 000 were confirmed as eligible and 5 000 were approved in the context of self-financing. The micro-enterprise is particularly suitable for activities such as maintenance and repair, subcontracting, and a multitude of services required as a result of the transition to a market economy.

Overall, although obviously the current mechanisms for integration of the unemployed cannot take the place of an employment policy based on a return to economic growth, they cover a wide range of socio-economic measures. Two predominant features appear to characterise the current approach: on the one hand, the strong training element (including the aspects of information, guidance and support) within the mechanisms and, on the other, the increasing decentralisation of the mechanisms activating and supporting the programmes.

The CNAC network (45 *Wilaya* (regional) Agencies, 25 CREs and CATIs), the ANSEJ's local units (54 in number), and all the local authorities involved in the ESIL and TUP-HIMO programmes constitute a web of bodies covering the majority of the country, but owing to a lack of co-ordination, they do not appear to be cohesive.

The CNES¹¹ comments that "the battery of institutions responsible for employment is a source of conflict, overlaps and inefficiency".

The ANEM (*Agence nationale pour l'emploi et la main d'oeuvre* - National Agency for Employment and the Labour Force) has 170 local offices and could be the body commissioned to take action to reconcile labour market supply and demand, and to provide people with information and guidance on the various mechanisms for integration and training, from the perspective of "public employment services".

The plan to combat unemployment recommends strengthening the ANEM to enable it to follow up and monitor unemployment, by giving it the necessary means to identify the reality on the ground. In the opinion of the CNES, one way of reinstating the ANEM in its functions of management of labour market supply and demand would be to help it to diversify its services to job seekers and enterprises, particularly as regards pre-employment contracts.

"Reinstating" the ANEM means comprehensively reforming this agency, which currently administers only 20% of job placements, devotes 94% of its operating budget to staff wages/salaries, and has been computerised to only a very limited extent. Local agencies are subject to centralised management and have almost no links with enterprises. The majority

¹¹ CNES, "Avis relatif au plan national de lutte contre le chômage" [Opinion on the national plan for combating unemployment], State Gazette No. 30, April 1999.

of the agencies' work consists of registering people eligible for allowances from the CNAC and the other "temporary" mechanisms.

3.2.10 Medium- and long-term trend

In its April 1999 opinion on the draft national plan for combating unemployment, the CNES produced two scenarios for the labour market trend, one based on the underlying trend and the other expostulating the conditions necessary for improving the employment level by 2010.

The common elements in these two scenarios relate to the trend in the active population and the flexibility of formal employment outside the public service in relation to GDP.

In the context of the scenario based on the underlying trend, the conclusions reached are pessimistic about job creation (2.8 million units between 1997 and 2010), with an unemployment rate of 33% by the end of that period.

In the case of the "full employment" scenario, it is assumed that the economy will create enough jobs (informal, structured or in the public service) to reduce the unemployment rate to 14% by 2010. Half of the net volume of 5 million jobs to be created, which require a strong development strategy to be implemented, would be found in the informal economy. The following sectors of activity would participate in this endeavour: buildings and public works and the service sector, each 20%, followed by industry (almost a million jobs to be created) and agriculture (14% of the net volume of jobs to be created).

From this point of view, a balance needs to be achieved in training provision, as regards quantity and the qualifications to be provided. According to forecasts, there will be a need for training for managers and technicians, but it is above all basic qualifications that will be required, particularly by the informal sector. Innovations need to be made even in traditional occupations, and the training organisation will need to be made more attractive in the eyes of young people and other job seekers.

3.3. *Legislative and regulatory framework, appraisal of the financing system*

3.3.1 *Overview of the legal framework*

The changes to the legal framework fall into two stages:

- the first was marked by the advent of the SGT (*Statut générale du travailleur* - General Workers' Statute) in 1978; covering all aspects associated with labour law, it defines training as "a factor in the social and occupational advancement of workers and a guarantee of the country's economic development", and lays down the principle of organising apprenticeship measures and measures for continuous training in companies;
- the second, characterised by economic reforms, saw the promulgation, at the start of the 1990s, of a series of laws and decrees repealing the SGT, classifying training as one of the

rights of workers and obligations of employers, and covering the creation of several training and support establishments. This period is about to culminate in a framework law on vocational training.

The most important of the specific mechanisms governing the vocational training sector have already been mentioned in earlier paragraphs on various aspects of the current system.

To summarise, the current legislative framework is as follows:

- Law no. 81-07 (of 1981) on vocational apprenticeship. Parliament has recently approved a series of amendments, including provisions aimed at improving the quality of apprenticeship training and instituting monitoring of the apprenticeship process;
- Law no. 90-11 on labour relations. Under Article 7, workers are obliged to “participate in training, advanced training and retraining measures implemented by the employer with the aim of improving the functioning or efficiency of the employer body”;
- a bill for a framework law on vocational training is currently being examined by the APN. As an element of the national education system, vocational training works towards the Nation’s development and its economic, cultural and social advancement. It constitutes a national obligation for the State, local authorities, public and private undertakings, economic and social players, approved associations and vocational organisations. “The national vocational training system provides initial vocational training to prepare candidates who have left the education system and those seeking their first job to exercise an occupation; it also provides continuing vocational training for workers by continuously adapting its knowledge to technological changes.”

The basic regulatory texts are as follows:

- Presidential no. Decree 81-394 providing for the creation of the National Institute of Vocational Training for Adults, with the following main tasks: study and research with a view to improving methods, advanced training for teaching staff, preparation of programmes, technical monitoring of teaching, selection of candidates (in 1991, Decree 91-54 restructured the Institute’s missions, organisation and functioning);
- Decree no. 81-393 providing for the creation, organisation and functioning of the National Institute for the Promotion and Development of In-company Vocational Training and Apprenticeship, with the object of providing technical and educational assistance to companies and to structures and bodies involved in apprenticeship;
- Decree no. 82-298 on the organisation and financing of in-company vocational training;

- Decree no. 90-138 on the creation, organisation and functioning of the Study and Research Centre for Occupations and Qualifications (CERPEQ);
- Decrees no. 90-237 and 92-27 lay down the basic constitution of vocational training institutes and vocational training and apprenticeship centres;
- Decree no. 90-288 providing for the creation of the National Institute for Development and Promotion of Continuing Training (INDEFOC);
- Decree no. 90-298 providing for the creation of the National Centre for Distance Vocational Education (CNEPD);
- Decree no. 91-141 lays down the conditions for creating and monitoring approved vocational training establishments;
- Decree no. 97-197 reforming the National Consultative Council for Vocational Training, whose main objective is to provide opinions and recommendations contributing to the development and definition of a national vocational training policy;
- Decree no. 98-235 amending the legal nature and the functioning of the National Agency for technical and teaching equipment for vocational training;
- Decree no. 98-355 providing for the creation, organisation and functioning of the National Development Fund for Apprenticeship and Continuing Training (FNAC).

3.3.2 Costs and financing of vocational training, creation of the FNAC

In 1998, State expenditure on education and training totalled DA 155.7 billion (approximately EUR 2.4 billion) on operational expenses and DA 31.6 billion for equipment, equivalent to 6.7% of national GDP.

In 1997, the annual operational appropriations allocated to the vocational training sector amounted to almost DA 7 billion (approximately EUR 100 million). 89% of the budget was devoted to subsidies for training establishments. 81% was allocated to staff costs. Only 5.7% was allocated to grants and “preliminary wages” to trainees.

With regard to investment, supplementary appropriations for 1997 are estimated at DA 1 950 million (approximately EUR 30 million), with a shortfall of almost 77% in relation to the budget approved.

The reduction (in real terms) in operational appropriations means that establishments are encountering enormous problems that have negative repercussions for the volume and quality of training provision, as the budget is currently managed and structured.

With regard to the budget for equipment, constraints associated with implementation of the sector’s equipment programme are a crucial factor in optimisation of intake capacities and infrastructures.

The shortfalls result in major delays in putting into operation training centres that have been built but not equipped; there are currently 400 workshops in this situation.

However, the number of structures or jobs not utilised or under-utilised gives rise to questions about the extent of these constraints and suggests a need for better programming of measures, in terms of location and training specialisms, and for more flexible use of resources of all kinds.

The budgetary constraints impelled the Government and the sector to initiate new measures with a view to diversifying the sources funding for vocational training, particularly through direct or indirect support from sectors of the economy.

The process that has been developed is one of multiple funding, laid down by law and assured by the State, companies, local authorities, unions and associations, with the aim of harmonising cost-sharing in training provision.

For companies and employer bodies (with the exception of the public service), the 1991 Finance Law, as amended by that of 1998, establishes compulsory contributions amounting to:

- at least 0.5% of the annual wage bill to be committed to continuing training measures;
- at least 0.5% of the annual wage bill to be committed to apprenticeship measures.

Decree no. 98-3555 provides for the creation, organisation and functioning of the FNAC.

In accordance with the Decree, the devolved tasks of the FNAC are:

- to manage the financial resources made available to it;
- to study and process draft training programmes proposed for financing by the Fund;
- to decide on the eligibility of draft apprenticeship or continuing training programmes;
- to specify the mechanisms and conditions for implementation of eligible training programmes;
- to finance information and guidance measures contributing to the development of continuing training and apprenticeship;
- to finance, in partnership with existing funds, training, apprenticeship, and/or continuing training measures;
- to undertake surveys on training programme evaluations implemented;
- to undertake any action designed to promote and enhance the status of apprenticeship and continuing training.

The Fund will be administered by an advisory board and a general manager and will have a monitoring committee. It is planned to equip the Fund with an operating budget so that it can carry out its missions.

Effective implementation of the FNAC is not without its problems.

A positive aspect is the possibility of using this mechanism to resolve the budgetary constraints impeding the development of the vocational training sector and improvement of its quality. It would also enable a return to investment by large companies in human resources - companies that, in the past, had a tradition and a remarkable capacity in this field. The aim of “forcing” employers to invest in training is also revived, with the possibility of companies being able to deduct the costs incurred for training from tax returns.

The problems put forward by the various players nevertheless also appear to be genuine.

The crisis which companies are experiencing seems to make implementation of a mechanism of this kind hypothetical, particularly since these taxes cannot be deducted from corporate or profits tax and do not comply with the rules on exemption.

The CNES notes that this approach “confirms the paradox between the intentions formulated and their application” and regards it as essential to “rethink this participation in the light of the measures undertaken by the State and local communities on the one hand and, on the other, to consider adjusting it to the size, nature, type of production and location of the company”¹².

In the opinion of the CNES, this obligation should be reviewed and the amounts either ploughed back directly by the company into training for its workers, or paid to an “intermediate collection agency” which administers the funds for training as a mutual fund.

Employers see the FNAC as an additional burden that will further add to the compulsory levies. Its management, as provided for in the Decree, is deemed to be cumbersome and its operating mechanisms have not been specified. Moreover, very few operators have been informed of the creation of this fund and they are unaware of the possible benefits they could derive from a mechanism of this kind.

3.4. Interventions by sponsors to improve the system's organisation and operation

It is planned to create conditions for effective and efficient use of the resources mobilised and capable of being mobilised, through multilateral and bilateral co-operation.

¹² CNES, “Projet de Rapport sur la Formation Professionnelle” [Draft report on vocational training], 1999.

In its report, the CNES wants the State, via its authorised services, to ensure transparency and strict compliance with the rules on competition and on selection of the bodies and other specialists necessary to implement the activities that make up these programmes: studies, advice, expertise, evaluation and guidance. In this connection, it is recommended that an appraisal of this co-operation be carried out and analysed.

With regard to national education, co-operation is evolving along three lines: bilateral co-operation in the context of cultural agreements, co-operation projects financed by international bodies (United Nations Development Programme (UNDP), UNESCO, UNICEF), and projects financed by loans from the World Bank, the African Development Fund and the African Development Bank.

Bilateral co-operation, which is essentially between Algeria and France, takes the form of study and training grants for terms ranging from three to six weeks, which are made available to the Ministry of Education. The fields of training covered are, generally speaking, teaching of French and scientific disciplines.

Projects receiving external funding are the introduction of health education in schools, financed by UNICEF, and the introduction of environmental education, financed by UNDP.

Funding in the form of loans covers:

- a project financed by the World Bank involving implementation of an evaluation and guidance mechanism to strengthen the National Educational Research Institute's programme of educational research, and the acquisition, maintenance and management of scientific and technical equipment. It is due to come to an end in 2000;
- a project financed by loans from the African Development Bank and the African Development Fund involving strengthening of technical education; it involves research and training courses for technicians and educationalists, particularly training in evaluation, programme development and development of educational software.

The two projects are being carried out in co-operation with Canadian bodies.

The CSE points out that co-operation projects cover concerns that are too broad and recommends co-operation more strongly targeting more clearly identified needs. The financial sums provided do not appear to be in line with the anticipated results.

In the vocational training sector, co-operation has been arranged with three main partners: Canada, Germany and France. The object of the co-operation with Canada is management training, programme design and computerised management of statistics and information. The majority of the funding comes from a World Bank loan. Canada has also agreed to make a donation to support training in the development of private-sector SMEs.

The co-operation with Germany relates to methodological training of researchers with a view to research into the suitability of training vis-à-vis employment and stimulation of apprenticeship via programmes to raise the awareness of operators and programmes of training for apprentice supervisors.

Every year, France provides short- and medium-term grants for advanced training for managers and trainers in the areas of management techniques, evaluation and the training methods.

Algeria has also received a loan from the Japanese Government towards the reform of its education system.

A co-operation project is also under way with the ILO (International Labour Office) and UNDP, "support for the implementation of a policy of preserving and promoting employment". In the training element of this project, three courses of action have been identified and confirmed with vocational training services. They relate to implementation of a reliable information mechanism, the development of operational capacities and operating procedures for the funding mechanism (FNAC) and, lastly, development of teaching methods for continuing training and apprenticeship (INFP). Work is currently in progress on analysing the situation and drawing up an inventory.

4. Notes on management training

The main fields of potential action in management training appear to be as follows:

- the sector of public companies undergoing major restructuring processes, leading to the creation of holdings, the break-up of productive systems and the creation of subsidiaries; privatisation of the sector is only in its very early stages. Furthermore, managers of public companies appear to have very limited room for manoeuvre, and holding companies often simply amount to ramifications of government action. In converted companies, wages still constitute 88% of turnover;
- the private sector, characterised by small companies, which is expanding but is subject to various limitations owing to difficulty in obtaining credit, to customs constraints, and to many bureaucratic obligations. Moreover, even the private sector frequently operates in a context of “micro-monopolies”, a protected market overshadowed by the public sector. The sector expresses a very modest demand for training at all levels;
- enterprises (often individual) created in the context of the various support mechanisms and in particular through the “micro-grant”;
- the public services and the banking sector.

The country possesses a fairly high level of skills in certain management sectors, which has been inherited from a productive system which achieved substantial results in some sectors in the relatively recent past, and which was always open to (or at least well informed about) the management methods of companies in a market economy, as a result of various partnerships with foreign bodies and consultants. This could expedite the process of mastering competitive forms of management, despite the fact that managers trained in the past have not had an opportunity to manage companies in a situation of competition.

This does not mean that a class of managers exists that is capable of sustaining all the efforts required to convert and re-launch the various sectors of the economy.

“...the autocratic behaviour shown by some managers and the inhibition other managers display in the face of management risks are not the behaviour of “winners” but the attitudes of “employers of the old school”, or of technocrats concerned above all with rules and procedures. Are the managers of public companies now responsible for resources in the way that their national and foreign competitors are?” These comments and questions are included in a document from the Ministry of Industry and Restructuring¹³.

¹³ Ministère de l'industrie et de la Reconversion (Ministry of Industry and Restructuring), “Communication sur la place et le rôle de la formation dans la mise à niveau” [Communication on the place and role of training in raising standards] presented in the context of the “Journées d'études sur la mise à niveau des entreprises industrielles” [Study days on raising standards in industrial companies], 15-16 March 1998.

It is currently estimated that some 50 000 middle-level and senior managers in companies and the public services are likely to be involved in any (advanced) management training measures.

Management skills and thus the qualifications required in this field could primarily be identified in the context of the various programmes whose financing is designed to cover industrial restructuring and through SME partnerships. At the level of international public-sector aid, some measures have been identified and a start has been made on developing technological support and advisory services for industry, rehabilitating and promoting industrial areas, and developing standardisation.

The Ministry of Industry and Restructuring has specified, with the European Union, the modalities for assistance for the industrial sector in the context of the MEDA I programme amounting to ECU 38 million for the period 1999-2001. The implementation of this assistance started in the course of the second half of 1999.

In addition, an integrated co-operation programme relating to competitiveness and support for industrial restructuring, and involving an amount totalling 12 million dollars is underway with UNIDO (United Nations Industrial Development Organisation), with the aim of developing a mechanism for implementing and co-ordinating a programme to raising standards.

A UNDP project co-funded by the Government, which will provide support for restructuring and privatisation and involves 765 000 dollars, began in the course of 1999.

Based on an average investment of DA 500 million per company, of which DA 350 million is for modernisation of the productive system, the total financial budget for the (three-year) Pilot Programme is estimated at DA 40 billion, with DA 20 billion for each of the two elements, support for companies and environmental support.

With regard to partnerships, the few measures implemented (with national and foreign partners) relate in particular to:

- the renovation of some production units in the field of construction materials (cement works in particular), involving Algerian cement producers;
- the setting up of 122 partnership projects emanating from 40 EPEs (European Partners for the Environment) in various sectors of activity (end of 1997);
- the launching of private investment initiatives involving national private promoters and foreign operators (EU and USA). These involve 127 projects, 60 of them in pharmaceuticals manufacture (end of 1997).

The Algerian management training system is based on:

- university,
- vocational training,
- institutes,

- private bodies,
- businesses in the broad sense of the word.

The institutes (ISGP, ISGA, INPED, IFP, INFP, etc.) constitute specialist management training, each in their own particular field. Their organisation, based on flexibility, enables them to adapt to demand, and be innovative and open to the outside world.

Generally speaking, institutes in the public sector have the legal status of the EPIC (*entreprise publique industrielle et commerciale* - commercial and industrial public undertaking) and those in the private sector have the legal status of SARL (limited company).

The organisation of institutes in the public sector is subject to fairly strict rules on financial aspects and labour relations; in the private sector, the organisation has been considerably simplified (versatility of administrators), leading to a reduction in operating costs.

The public institutes are relatively well equipped in terms of teaching and administrative infrastructures, while the private institutes tend to use hotel accommodation.

As regards training staff, part-time trainers predominate (particularly in the private sector) and the teaching methods are heterogeneous. However, the use of part-time staff facilitates links with the economy (company managers) and universities (management teachers).

In the public sector, the programmes are fairly diverse in terms of specialisms and levels, with the range being more limited in the private sector. The training content is often adapted from North American programmes or programmes from European institutions.

With regard to the question of being open to the outside world, there are an increasing number of partnerships with foreign institutes (France, Canada, and USA), but there is no regular technical co-operation.

In the private sector, in the interests of developing the economic environment, many research departments or institute departments have been created, primarily specialising in popularisation of the regulations involving economic reforms.

Virtually all the clients of these bodies are public companies.

Some of these establishments are members of an association, the AFPG.

Many of the consultants in the sector come from large companies and the public service.

However, it should be mentioned that a serious problem of ethics and good practice is beginning to arise at this level. At present there is no supervisory framework. This has made it possible to offer money-spinning products rather than training involving processes better suited to achieving the objectives.

There is a tendency to include in management training courses which are defined as “support” training, but which are in fact training in book-keeping or office duties.

Setting up the FNAC could encourage a demand from companies for management training.

The existing training provision is currently under-utilised.

It is estimated that the demand for management training from the private sector represents 5% of requirements.

Training abroad takes place mainly in management schools and companies in countries in the West, and is used by companies at their own expense or with the aid of bilateral or multilateral technical co-operation (reduction in staff availability, tendency of those trained not to return to Algeria).

A working party set up by the Leader of the Government in 1996 drew up a programme for developing management training, which provided for various types of initiative, such as the creation of an Algerian foundation for management development, strategies for modernising national training institutions, tax and customs breaks for the sector, tax benefits for measures supporting management training followed by any natural or legal entity, greater incentives as regards the allocation of revenue from work and services of an administrative nature provided by public-sector establishments, updating salary scales and increased flexibility of the mechanisms for the remuneration of trainers and researchers involved.

In the field of training for those setting up in business, requirements and initiatives have been identified in the course of work by two agencies: APSI (*Agence de Promotion, de Suivi et de Soutien à l'Investissement* - Agency for Investment Promotion, Monitoring and Support) and ANSEI.

The ANSEI's remit has already been discussed.

With regard to APSI (created in 1994), its principal tasks are:

- management and monitoring of the allocation of the benefits put in place by the investment code;
- providing economic information at international and national level to promoters;
- guiding investors through the preliminary administrative formalities;
- assisting investors in the field.

The APSI's support for realisation of the potential of job creation appears to be modest. Of 12 000 projects submitted and potential 700 000 jobs expected, in May 1998 only 35% were in the process of being achieved.

In the field of training of people setting up in business, we should also mention the activities of the CNAC in the context of measures for the benefit of workers "squeezed out" of public companies.

The MEDA project supporting the creation of companies (SMEs eligible for privatisation) will not be launched until 2000. In the context of this project, management training should benefit from the support of the INPED.

The ISGP and the INPED are two very important bodies in the context of management training provision.

The ISGP was created in 1994, under the aegis of the Prime Minister. It is constituted as a public industrial and commercial establishment. Its mission is to design and implement programmes of retraining and advanced training for managerial staff in companies, to provide expert opinions, to carry out study and research projects (diagnostic studies and restructuring proposals). The ISGP covers all segments of the management training sector and organises, à la carte or at the request of users (companies or national institutions):

- courses of training (of 1 to 90 days) in policy and operational management;
- specialised postgraduate courses (general corporate management, banking management, human resources management, international business management);
- postgraduate courses in logistics, transport and international business management;
- workshops, symposia, study days.

The ISGP's organisation is characterised by its flexibility, with a low level of administrative and logistical support which makes it very responsive to the environment; it has 45 permanent staff with a network of over 100 associate trainers. It has a high-quality teaching infrastructure. Funding is almost completely derived from revenue from training and consultancy services supplied to companies and other bodies. The private sector represents only 10% of the ISGP's customer base.

The INPED is a public body with financial autonomy under the aegis of the Ministry of Industry. The INPED was created in 1967 to support management training in companies created within the framework of the economic development programmes of that period, a remit that was accomplished through collaboration with many foreign partners. The INPED's mission is to adapt foreign management models and training programmes to the situation in Algeria.

This initiative constituted a breeding ground for experts on the subject. The INPED has changed its approaches to management in the wake of the reforms and the economic cycles experienced by the country (injection of a liberal approach into the training content following the 1986 oil crisis, changes following the relaxation of procurement and of currency restrictions , etc.).

The INPED's training is almost exclusively aimed at people in employment, in particular managers, or executives due to be appointed to senior management positions.

The INPED issues an advanced training diploma (the DPGE) within the framework of continuing training, which has long to some extent been equivalent to an “Algerian MBA”, which targets a management population with a school-leaving qualification plus 4 years of training/higher education, as well as professional experience. The INPED organises other “extended” training courses as well as specific full-length and short courses. In addition to this “inter-company” training, training measures are organised at the request of employers.

5. Summary of main findings and conclusions

5.1. *Strong and weak points of the vocational training and management training systems*

Cohesiveness in the training system appears to be more honoured more in the spirit than in the deed. As yet, therefore, an overall policy for the field remains a hypothetical issue. In recent years, new players and new directions for measures have emerged, which constitutes a strong point insofar as a broader range of needs can be met by different parties capable of implementing different approaches and strategies. However, this opportunity may result in a splitting up of service provision and an inefficient use of resources, unless a constructive synergy is put in place between the initiatives and institutions concerned. In other words, it is a question of going beyond a strongly sector vision of vocational training, which has, moreover, been criticised by the partners and sometimes by the players in the system.

Overall cohesion of the measures implemented appears to take second place to the administrative constraints of the establishments (to be monitored either by the national education system or by the Ministry of Labour).

In the face of the massive increase in youth unemployment and the laying off of the labour force within the productive system, on a scale never before seen in Algeria, of adults in formal employment, the efforts that have been made are remarkable in terms of both the numbers of people involved and the budgets allocated. At this stage, it would be wrong and unrealistic to evaluate the various mechanisms on the basis of their impact on the theoretical population to be covered.

Given the critical employment situation, it would seem to be wholly positive to give preference, as far as possible, to active policies of social and occupational integration rather than passive policies simply safeguarding revenue.

Seen from this perspective, the initiatives implemented under the aegis of the ANSEJ and the CNAC (CATI and CRE in particular) take on a special significance. Even the measures involving the “welfare safety net”, despite their “temporary” nature, cannot be regarded as “support” measures, provided the socially useful services concerned are undertaken within a framework which ensures appropriate monitoring of beneficiaries and initiatives.

Apart from proposals of a political nature, it is impossible at this stage to ensure the integration of all new entrants. Thus a guarantee of “social non-exclusion” and of a minimum income already appears to be a remarkable objective. Moreover, the existence, and scale, of mechanisms of this kind may ultimately make it possible to avoid allocating inappropriate roles to the vocational training and secondary education systems (the “car park” phenomenon) by bowing to the pressure of a social demand that is all too often misguided and ill informed.

The social role currently tends to prevail over the economic, which creates a disparity between those receiving training on the one hand and the need for qualifications and integration on the other. From this point of view, the roles of the various players and institutions have by no means been defined and, as in most countries with acute employment problems, there is a tendency for responsibility for social integration to be allocated transversely.

In this context, the weak link in the chain appears to be vocational training under public supervision, which has not managed to free itself of a role, not explicitly sought or allocated, but nevertheless dominant, of making good lost educational opportunities. There remains the problem of understanding that players should assume responsibility for producing the skills necessary for development of the productive system, and the question of what skill profiles are required has also still to be clarified.

In this connection, it would seem to be necessary to emphasise again the problems underlying the education system and the possible priorities to be addressed. The figures we cited earlier in this report show the enormous efforts that have been made to cope with the growth in the school-age population and with a demand for secondary and higher education that has increased disproportionately to demographic growth. The rates of participation in education are high and, above all, it has developed considerably if one takes into account the budgetary constraints and the increase in social imbalance the country has experienced over the past decade.

However, qualitative objectives appear to have taken second place to quantitative aims. In other words, is it better to have one year of additional schooling or a shorter period of participation but in structures that are better “equipped” with teaching resources and more accessible to all those entitled to attend?

Should we not make it a priority to reduce the dropout rate and to eliminate exclusion from basic education, rather than increasing the numbers at the other levels of the system? Should we not consider whether it is valid to have a final year at basic school of a specialist nature to strengthen this option? Would it not be useful to curb the pressures of social demand for acquisition of diplomas whose multiplication tends to devalue them without adding anything to equality of opportunities for the various segments of the population in terms of labour market integration? Is the selection system throughout the educational process fair?

Should the lack of investment by the national education system in technical education not be given detailed consideration and eventually be the subject of a formal decision? Can the role of vocational training be laid down without a clear definition?

Secondary education appears to serve exclusively as a staging post between basic school and higher education, in which case the school dropout rate would seem to be the natural result of a process “designed” to be selective. Thus it needs to be asked whether the guidance mechanisms at the end of basic education are valid.

Those leaving education throughout the process pose a number of problems for the configuration of education in vocational training establishments. Groups of students are often heterogeneous in terms of their basic preparation, which makes it difficult to organise courses and classes. Young people who leave education at the end of the secondary cycle are both unhappy about the setback they have suffered and frustrated at having to start again from scratch in the company of those who dropped out soon after the start of secondary education or did not even begin it.

A degree of flexibility could be introduced into training provision, but consideration could also be given to rationalising the transition between the two systems and managing it better.

The other priority in analysing the role of vocational training is to consider the “type of skills” on which training projects and courses should be built.

It is clear that the investment the country is in the process of making in adapting the structure of its productive system means that policy-makers must ask themselves about whether these transformations should not be accompanied with the appropriate human resources.

It is also true that well-trained professionals constitute a factor that is not insignificant in expediting the processes of restructuring the system and making it competitive, and so we cannot wait for sectors to express a demand for qualifications before organising a satisfactory response. However, there are signs of “over-anticipation” in this connection, giving rise either to illusory expectations among individuals investing in skills training and acquiring a diploma or to an allocation of public and family resources that is sometimes irrational.

As we have shown, Algeria is a “site ripe for development”, where we are preparing the ground for investments which can ensure the launch of the various sectors of economic activity. The situation domestically and the situation vis-à-vis international competition do not however suggest that the economy is likely suddenly to take off.

With regard to high qualifications, which are the most expensive and take the longest to acquire, training provision leading to diplomas and skills should be geared to synergies between, on the one hand, public and private investors and, on the other, the institutions supervising establishments or entire training systems. Institutional bodies where such synergies could be realised do exist - the capacity of representatives of professional circle to express themselves needs to be reinforced.

Technical agencies and research departments, of which there is no shortage in Algeria, and training and higher education institutes could intensify their function as permanent observatories for employment and qualifications, by concentrating a little less on methodological rigour and rather more on direct contact with operators, while they wait for the social partners, at a sector level and, for example, the chambers of commerce, to begin to organise themselves to express themselves in a structured way on this subject. The public service also needs to formalise its skill requirements if, as forecasts indicate, in 2010 it will be the largest employer with 28.5% of total structured employment.

A different kind of analysis can be used for middle and lower level qualifications from that used for the higher levels. Firstly, the current structure of the production and employment systems needs to be taken into account. The majority of labour market supply relates to traditional occupations and trades, and services in particular, but also the agricultural sector and buildings and public works. Nor can the skill requirements in the informal sector be ignored, since by 2010 it will account for more than one-third of all employment growth.

“Traditional” trades or sectors, translated into training needs, do not mean repeating out-of-date teaching formulas. On the contrary, future workers need to be put in a position to maximise the profitability of their tasks, in terms of both quality and productivity. A sound skill can enable individuals to advance in their work, to free themselves from the precariousness of informal work and to identify opportunities for independent initiatives.

5.2. *The partners' current and future concerns*

The development of human resources is on the agenda in Algeria, both at the level of the institutions and in public debate. The legislation being produced, the number of documents regularly produced by official bodies and the attention devoted by the media to this issue are confirmation of this. The weak points in dealing with skill requirements of work environments and of the social demand for integration are formulated very clearly and on the basis of detailed technical analyses, by the two most influential consultative bodies in this field, the CNES and the CSE.

The current challenge, which is regarded by the authorities as a priority, is that of making vocational training consistent with the efforts to restructure the productive system in line with a market economy and to bring into play the players involved in these changes, while preserving the cohesion of the education and training systems.

The majority of the official documents emphasise the contradiction existing within the country between, on the one hand, the conviction that training represents a fundamental stake in the battle against unemployment and in raising standards within the productive system and, on the other, the fact that technical and vocational training has lost ground in terms of both quality and the numbers involved. Despite all the reforms and restructuring implemented since the beginning of the 1980s, serious problems remain.

In its report on vocational training¹⁴, the CNES emphasises the following points:

- the pressure of social demand is still increasing, while the system's capacity for absorption is reaching its limits owing to saturation of training places, but also because of inefficient organisation;

¹⁴ National Economic and Social Council, “Projet de Rapport sur la Formation Professionnelle” [Draft report on vocational training], May 1999.

- the reduction in the financial resources made available to the system in the face of needs which are still increasing and inefficient use of expenditure;
- aggravation of the phenomenon of school dropouts with no diplomas or skills, and the difficulty of improving the internal capacity of the education system;
- a decrease in the quality of training in relation to the demand from sectors of the economy and a reduction in its contribution to social advancement.

It would seem that the embryonic reform process is unable to provide adequate responses. That is why the CSE considers that the bill for the framework law on vocational training is premature and carries the risk that it will fail to make an impact on the future of training, unless it is accompanied by a coherent and comprehensive vision of education and training policy.

The training system has been considerably expanded, to which end the State agreed major investments in infrastructures, equipment and supervision; however, its management still seems to be characterised by strong centralisation and too much emphasis on “administrative standardisation”.

For its part, the CNES sees the crisis in the training system as being the result of a double contradiction between the objectives assigned to it and the resources allocated, and between the results achieved and their economic and social effectiveness. “The imbalance between under-utilisation of capacities and the social demand for training is further exacerbated in a period of budgetary restrictions.” The first measures decreed by the authorities consisted of reducing investment expenditure and putting an end to the policy of establishing training centres on the basis of regional allocation. Drastic cuts were said to have been made in the operating budget “in a disorganised fashion and without the standards and criteria necessary for any arbitration in the matter” (CNES 1999).

Both the CSE and the CNES challenge several aspects of the administrative management of vocational training. The former mentions that the administrative management of training establishments “has favoured a logic of budgetary consumption, with total disregard for real costs, and of evaluation and performance”. For its part, the CSE comments that the sector is attempting to rationalise and optimise the resources and capacities it has at its disposal, but the expansion of these capacities appears to have reached the limits of the current modes of organisation.

Such considerations seem to take little account of the current critical economic climate in the country. On the basis of its own analyses, carried out in the context of its “*Rapport préliminaire sur les effets sociaux du PAS*” [Preliminary report on the social effects of the economic and social plan], the CNES puts forward ideas about the extent of the challenges the plans for adjustment involve, both from the point of view of the economy’s new needs as regards skills and qualifications, and with regard to the trend in budgetary constraints.

The financing of vocational training activities will continue to be a problem in the next few years, given the role and tasks they are expected to fulfil, as a vector for social and occupational integration and an arena for socialisation of unemployed populations.

Overall, the partners see the problems of vocational training from a long-term standpoint, since the economic situation currently remains fairly critical, as shown in Chapter 2 of this report.

While the concern to equip the country with the skills and qualifications required meeting the challenges of innovation and globalisation is to be supported, the time scale of this imperative and when it could be achieved cannot be foreseen. This is not without consequences for a sector like that of vocational training, whose dynamism is highly dependent on concrete rather than anticipated or potential demand from the world of work. In the absence of this, the system finds itself all the more exposed to managing a social demand which is often lacking in focus and without expectations and, sometimes, hopes of integration and occupational advancement.

In such a situation of transition, it would seem to be appropriate gradually to address the institutional reforms and measures capable of improving the organisation and management of the system at the educational level in particular, with the aim of preparing the ground for a re-launch of vocational training, which could be undertaken once . This can be confirmed when the framework conditions become more favourable, with little in the way of commitment to additional resources for the present.

The CSE regards reform of the methods of organising training as more urgently needed than physical growth in the training system, with the question of teaching methodology being seen as the most difficult to assure in the context of management. Updating of programmes, advanced training for trainers, and availability of technical and teaching material would seem to be the priorities, particularly since major discrepancies are apparent between the concerns and approaches of the main national educational support institutions and the reality on the ground, “characterised by weak teaching and technical skills and the constraints of administrative and financial management... the lack of technical and teaching material reduces training content to the programmes themselves and the trainer’s own knowledge” (CES 1998).

5.3. *The main guidelines and the priorities*

Thanks to the advanced state of diagnostic measures, proposals and calls for a coherent system, large-scale decisions on reform appear to be imminent for the whole education/training and training/employment system.

Many initiatives are under way or are planned in the near future.

National education, currently less concerned than in the past to increase numbers, is now involved in a huge programme of retraining of teachers. From the point of view of institutional engineering, on the other hand, no major changes are planned at the level of either basic or secondary education.

With regard to higher education, there is currently a major commitment to developing training provision, in particular by opening new university-level establishments and acquiring structures transferred to MURS (*Ministère de l’Enseignement Supérieur et de la Recherche Scientifique* – Ministry of Higher Education And Research) by other sectors.

With regard to labour market management and, in particular, employment policies, the majority of the measures adopted are relatively recent, and efforts are therefore focusing on the further development of the mechanisms put in place.

Despite the obvious need to revise the system for labour market management, including the mechanisms for guiding individuals either towards the various integration measures or towards training, as yet there is no reform project in this field.

However, the Presidency of the Republic has drawn up a report on proposals for a national plan to combat unemployment (*propositions pour un plan national de lutte contre le chômage* - PNLC). The aim of this report is not to question the mechanisms put in place or to rewrite labour law. Instead, it sets out to rectify the inadequacies identified in the design and implementation of the various mechanisms and to revise the programmes to achieve greater coherence and efficiency. The PNLC emphasises that the existing mechanisms, “designed to cushion the social cost incurred as a result of the application of programmes of stabilisation and structural adjustments, cannot take the place of a sustainable employment policy”.

The project focuses on the following stages: drawing up an up-to-date appraisal of unemployment in the country, identifying the impacts and inadequacies of the mechanisms in place, improving existing mechanisms, examining the possibilities for financing the Plan. With regard to diagnostics, the report criticises the following dysfunctions: the compartmentalisation in the system in place, reducing its efficiency because of the lack of synergy between the various elements, the financial situation of public companies prevents payment of the unemployment insurance levy; with regard to the “welfare safety net”, inadequacies are found in the monitoring and targeting mechanism, management resources at local level and the lack of a bridge to other elements of the unemployment framework. The activities of the ANSEJ are related to those of the APSI, their initiatives being directed towards promoting private activities for young people rather than the integration of unemployed young people.

The policies put forward in the Plan can be summarised as follows:

- managing unemployment and supporting the process of job creation by means of both active and passive measures;
- improving the framework mechanisms, the mechanisms regulating the labour market, and the mechanisms for managing unemployment, involving reform of the ANEM;
- strengthening alternative employment policies or proactive measures for dealing economically with unemployment, support for specific job creation programmes should be launched, such as large-scale works and exploitation of land through concessions;
- improving the management and funding mechanisms for expenditure under the equipment budget and strengthening the mechanism for investment aid, particularly as regards investment in sectors with a high employment potential.

The Plan was submitted to the CNES for consideration, and the latter gave its opinion in April 1999, when it produced a very interesting report, with the aid of its various partners. The report places the unemployment problem, employment prospects and the strategies to be adopted in a much wider context than that which inspired the Plan itself. It focuses on the establishment of a framework for the medium- and long term, implementation of which could help to increase the cohesion of the activities of the various institutional players.

However, with regard to vocational training, the draft plan tackles the issue in a parenthetical manner, and exclusively from the point of view of the retraining of workers affected by measures to slim down workforces (criticising the fact that virtually nothing has been done in this connection).

The vocational training sector is, however, greatly affected by the reform projects and the impetus generated by recent decisions, which appears to be fostering, directly or indirectly, a degree of competitiveness between different segments of the system.

In Chapter 3.3., we examined the legal and regulatory mechanisms adopted recently and the draft reform currently before the National Assembly.

The authorities have also engaged in in-depth consideration of how to improve the management and organisation of training establishments, and two dossiers have been produced on the revision of the framework statutes for vocational training establishments. The following were studied for each category of establishment: remit, organisation and operation, consultative bodies, supervision, financial provisions. The organisation opted for is pyramidal and makes a distinction between the task of designing tools and benchmarks for the implementation of the vocational training policy selected, and that of provision of services to the beneficiaries.

The intention is that these proposals should lead to executive orders amending the framework statutes in force and decrees on the administrative organisation and classification of the establishments concerned. These are major changes, aimed at supporting the reform sketched out in the framework law on vocational training.

To summarise, the current priorities for the re-launch of vocational training would seem to be as follows:

- bringing the sector into line with economic demand and dealing with social demand only insofar as training can justify its effective role as vector for integration into working life (abandoning the approach of training for the sake of training);
- positioning vocational training in a coherent system of career guidance and within the framework of active labour market management;
- diversification of operators capable of undertaking the task of vocational training, aiming at an increasing role for approved private-law establishments, unions and professional associations, and for a provided by companies and workers;

- development of alternating training and, as a priority, apprenticeship;
- development of continuing training to reflect demand from companies and in response to workers' initiatives, particularly in the context of entitlement to leave of absence;
- with regard to management of public provision, revision of the statutes of establishments with a view to improved and more flexible support for activities, based on the needs and opportunities formulated at local level;
- support for high-quality provision, with technical support being provided by the establishments responsible for teaching methodologies and teacher training;
- strengthening of the cohesion of training provided by operators of all kinds, by creating a vocational training nomenclature, based on occupational sectors, specialisms, establishments, training venues and duration;
- strengthening of the mechanism for the approval of training and ratification of qualifications;
- diversification of funding sources, in particular through implementation of the FNAC (*Fonds pour l'Apprentissage et pour la Formation continue* - National Development Fund for Apprenticeship and Continuing Training).

6. Recommendations for reforming the system

6.1. *The institutional will and capacity to reform the education and vocational training system*

The Government recently announced an action programme in the field of vocational training, which shows its intention of implementing a thorough reform of the system. This intention is undeniable at political level, but is curbed by its weakness of capacity to implement and steer the reforms. The recent creation of a presidential committee is a response to the political concern to quickly implement the reforms, but risks coming up against cumbersome procedures. The sector needs a far-reaching programme in order to “increase the capabilities” of the different players to manage and implement a new way forward for the vocational training system.

Despite the many weaknesses in the vocational training system, a number of elements are in place for a re-launch of the sector.

The arrival on the scene of private operators and the steady growth in their importance to the sector (even if only in terms of the numbers of measures and users involved) have stimulated the public sector to take action. The latter has supervisory staff, at least at central level, who seem to be motivated (or even impatient to achieve progress) and sufficiently skilled to put forward specific proposals for innovations.

All the efforts of sector decision-makers currently appear to be focusing on the following objectives:

- freeing training from its role as a “social shock absorber”, particularly as regards its dependence on “educational failures”;
- furnishing the system with a better capacity to integrate with production and occupational environments;
- providing initial training for a population of young people who have been appropriately guided and are motivated in relation to the training offered to them;
- going beyond traditional training provision in terms of both organisation and teaching approaches, to achieve efficiency and to establish a clear distinction as compared with the methods used by the education system;
- enhancing the status of alternating training and, in particular, making apprenticeship a favoured route to qualifications and employment;
- modernising training content and teaching approaches with the aim of developing modular training courses, in order to match training provision with students’ requirements.

Some of the proposals mentioned may lead eventually to considerable rationalisation, even as regards expenditure; however, sector decision-makers are well aware that an innovative project of this kind has its costs. Furthermore, existing training provision is relatively modest in its scope, in comparison with the potential demand that could be formulated following upgrading of the sector. The launch of the FNAC is expected to provide additional resources.

Most legislation to support these innovation objectives is already in place and other regulatory measures could be provided in the near future. The establishments already have a relatively independent status as regards administrative management, and approval of the reform of “framework statutes” could further improve their efficiency. Adoption of the reform of the status of staff appears to be more problematical. The launch, even on a large-scale, of a programme of advanced training and retraining for existing staff is unlikely to be sufficient, given the level of the majority of trainers and, in more general terms, the need to provide the establishments with a workforce of varying size and types of skills in line with the measures to be launched.

The aim of bringing training closer to the world of work, in a context in which companies are a long way from being capable of formulating a demand for skills, requires staff with highly specialised skills and approaches. It is a matter of working as a staging post, something that can be done only at local level, that is to say by each establishment in conjunction with the companies in its vicinity. The intention of the public authorities is to make the training programmes proposed fit in with the changes in jobs and employment, by revising and adapting the programmes and updating the list of specialisations with a view to adapting the courses to market needs.

For the moment, the participation of the social partners in all activities relating to the development of human resources is purely a formality. Even the Chambers of Commerce - despite the statutory role assigned to them, particularly as regards apprenticeship - seem to involve themselves very little in the field of training. Concerning social dialogue, we are in a situation full of contrasts, in which the long tradition of single-union partnership and the apprenticeship of the plurality of socioprofessional group representation coexist. The social partners are at the table, but are not fulfilling the role of putting forward proposals or indeed of challenging other proposals that they could have. In this respect, an increase in the role played by the social partner organisations must pass via the training of those concerned in the stakes and mechanisms of vocational training and raising awareness of social dialogue topics.

This fact also leads on to certain questions about the new potential sources of funding via the apprenticeship and continuing training levy.

This measure has been in place for several years, but the resulting revenue is not known.

There is great concern to diversify the sources of financing in the present context of scarce public resources. The overall objectives are:

- to encourage, both fiscally and financially, the economic players and institutions to participate in the national effort to promote vocational training;
- to encourage the self-financing and development of activities that are likely to diversify the financial resources of public vocational training institutions and their subsidiaries;
- to sustain the contribution of local authorities to the financing of expenditure items linked to the upkeep and maintenance of public vocational training institutions;
- to develop international and multilateral opportunities for contributing towards the financing of training for trainers programmes.

The FNAC involves a process similar to that which led to the creation of the CNAC, but there the political and social motivation was on a wholly different scale: it was a question of ensuring protection for workers faced with a phenomenon such as redundancy, hitherto unknown in Algeria (incidentally, in documents, it is referred to as “compression d’effectifs” [reductions in the workforce]).

Moreover, the financial situation of public companies, which often prevents payment of the unemployment insurance levy, means that they are unlikely to be able to sustain an additional burden of 1% on the wage bill. As a surcharge, these levies cannot be deducted from gross income tax. With regard to the private sector, it is obvious that a 1% increase in labour costs will not help to make it competitive.

There is no shortage of arguments in favour of the FNAC: these levies are deductible as corporate expenditure on training; this mechanism will encourage companies to consider the return on the investment as regards skills; careful employers will be able to benefit from resources in excess of the levy they pay. These are valid arguments, particularly from a sector point of view.

One last concern is the public management of the Fund. Simply to have the social partners present in the FNAC’s advisory board would not seem to be sufficient for a mechanism in which priority should normally be attached to their involvement, and which should see the State as having a relatively secondary regulatory role.

It should be noted that the FNAC will give rise to the emergence of a continuing training market since a strong demand for training should appear. Although this secondary effect is beneficial to continuing training, it risks having bad effects such as the development of lucrative niches to the detriment of the general raising of the skills levels of employees.

Nonetheless, the vocational training sector cannot be re-launched solely on the basis of economies of scale and rationalisation of the existing sector. Since it is known that there are budgetary constraints, the possibility of activating private resources is a valid one, but the mechanisms, scope and time scale must be considered.

Another sign of the administration's intention to reform the system lies in the bill for a framework law on vocational training.

This bill is based on the observation that there is a sufficiently developed vocational training mechanism throughout the country, but that the activity is broken up between too many sectoral operators, and the absence of reliable statistical data due to the lack of updating.

The bill deals with the following issues:

- The demand for and provision of vocational training;
- The authorisation and validation of professional qualifications and their equivalent qualifications.
- Vocational training trainees.
- Vocational training personnel.
- Guidance and information.
- The evaluation of vocational training.
- Vocational training studies and research.

As a general rule, the legislative and statutory instruments are relatively sophisticated and enable measures to be implemented that are not always realised in practice. This was due in the past to the lack of institutional stability from which Algeria is now recovering. The texts already allow for much to be done, but cumbersome procedures and the compartmentalisation of education and training, with relative mutual indifference, have struck the system with inertia. Today, the dynamic of the prevailing bill should make the creation of new synergies possible.

6.2. *Recommendations for a successful reform*

In the coming years, the Southern Mediterranean countries will regard human resources as the key factor in modernisation of the economy at macro-economic level, and in enterprise development at micro-economic level. It will be the fundamental element for the competitiveness of Algerian companies in the competitive environment towards which they are making their way, and which will very rapidly lead them to organise themselves and to regard human resources management and skills training as an investment. However, it must be admitted that these companies currently seem to be poorly informed and completely unprepared for the commitments the country made consequent upon its accession to the WTO (World Trade Organisation) and the creation of a Euro-Mediterranean free trade area.

Seen from this perspective, vocational training and the institutional bodies concerned, in particular the local chambers, cannot hold themselves aloof from the profound changes that need to be considered urgently, because the economic stakes are substantial. Therefore a programme of informing economic operators and raising their awareness in this area needs to be undertaken and maintained.

Vocational training can contribute to human resources development in Algeria only if the sector itself undergoes profound changes and in-depth remodelling, within the framework of a **national programme to raise standards**, which would also involve the system of integration into employment and to which it must extend its field of activities and its co-operation. For such a programme to be developed and implemented, active participation is required from all the sectors of activity and social partners involved.

Although it is often stated that the institutional will to reform the system exists, it remains to be seen whether the main sector involved, the SEFP, is receptive to the idea of planning systematic restructuring and close links with the productive system, despite the lack of prospects for companies in the current phase of economic transition, rather than initiating a series of diverse measures whose scope would be limited in relation to the stakes. There is also a need to investigate whether the authorities responsible for vocational training are willing to integrate the private sector and the social players into the general steering system and to delegate some of their prerogatives in the field of standardisation of training activities.

In order to have an impact on all sectors of activity, this raising of standards must involve all training sectors and private training establishments. It must mobilise all the players involved, on a consensual or negotiated basis, to define the results expected, the activities to be implemented, and each partner's role.

Although aspects relating to modernisation and additional equipment in existing establishments must not be neglected, because they help to improve training quality, any initiative by the European Commission to raise the standards of the vocational training system should primarily relate to:

- 1) improving training provision by producing skills which respond to companies' demands as regards quality;
- 2) improving teaching methodology skills within teaching support institutions in the sector;
- 3) improving trainers' skills;
- 4) diversifying training/integration/employment formulas;
- 5) developing continuing training;
- 6) developing alternating training and expanding apprenticeship training;
- 7) reforming the funding mechanism for initial and continuing training;
- 8) decentralising the vocational training management system and involving the social partners in steering the system.

In this general context, specific measures could consist of:

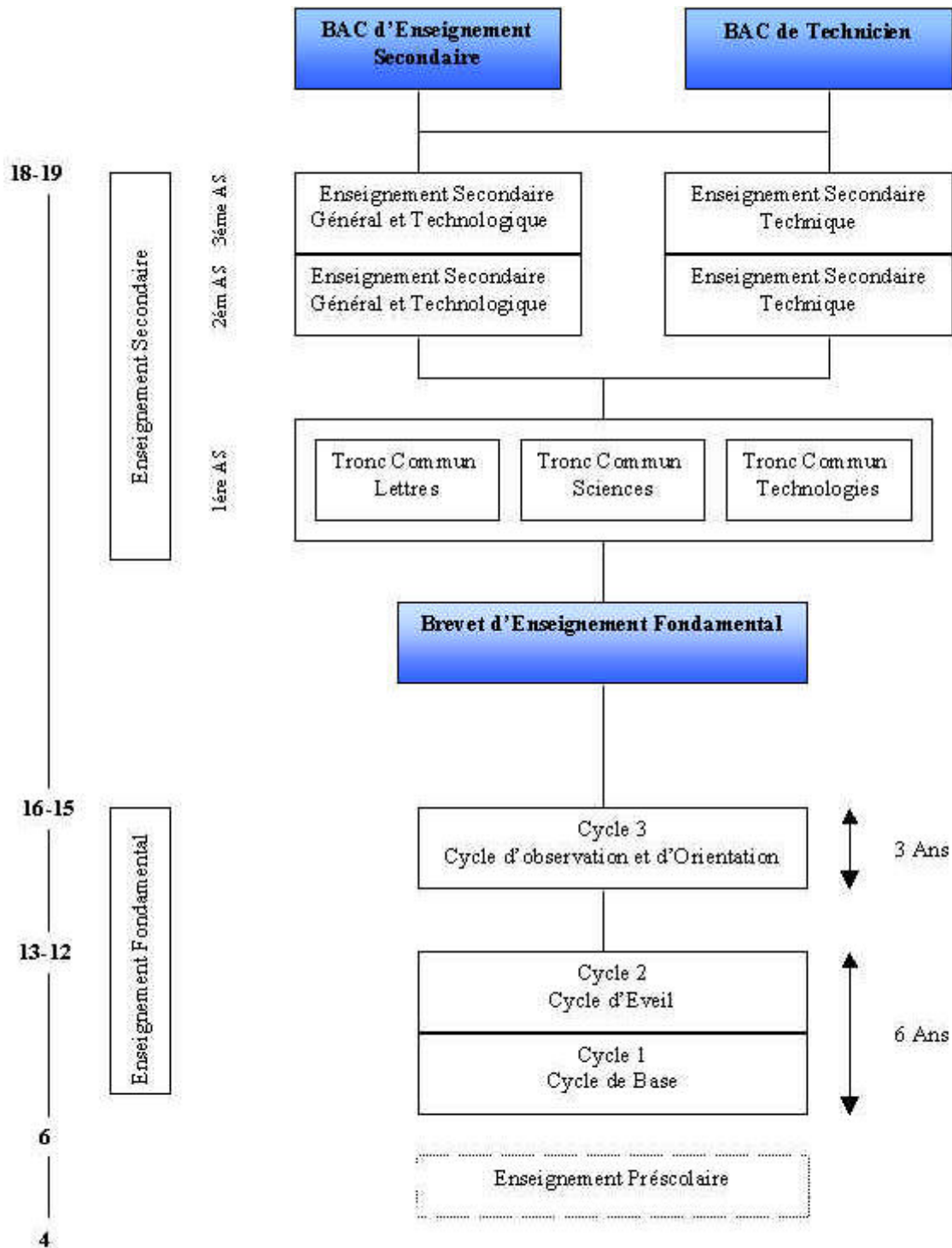
- Redefining the powers of local bodies, such as the local authorities and the *Wilayas* (regions), to enhance the status of the local level while monitoring the quality of partners and their level of involvement. Measures to organise enterprises to date have made it possible to identify the areas of consultation that need to be strengthened in this connection.
- With a view to improving training provision of establishments and the support measures for operators and those responsible for establishments, **creating training structures of an exemplary and reductive nature as regards the development of certain innovative training programmes directed towards self-employment** in market segments where very little is currently being done. This is a proposal that could be implemented rapidly and would serve to as a preliminary model for the training structures of the future.
- Supporting, as an experiment and an example, **the constitution at local level of a “service centre” for training, guidance and advice to companies**. In this context, supervisory staff could be trained (on the basis of a basic list of skill types) with a view to interaction both with local institutions and with economic operators, with the aim of identifying their needs as regards advice and training and developing consistent technical projects. In this context, consideration could be given to equipping a “service centre” along the lines of the role planned for vocational training institutes in the amended framework statutes for establishments. The location of this initiative should be decided on the basis of prior verification of the existence of a potential (at the level of training establishments, other local departments and agencies promoting integration and employment, public services and representatives of the *Wilayates* (regions) and local authorities, the social partners and enterprises) sufficient to ensure that the pilot project will constitute a model of good practice, to be replicated in other contexts. The functions and tasks of the current advisory departments within establishments must be expanded to include active support for the populations identified as being involved in socio-occupational integration. Thus it will not be a question of creating a new structure which would be added to the others, but of combining services currently dispersed across a multitude of bodies, by expanding the tasks currently assigned to the Information and Guidance Advisory Department (*Bureau d’Accueil d’Information et d’Orientation* - BAIO).
- Supporting **the provision of training modules in the field of enterprise creation and management** aimed at those completing certain types of initial training and redundant workers receiving training (cf. SEFP-CNAC agreement), as well as those benefiting from the various programmes promoting self-employment and enterprise creation (cf. ANSEJ). The Chamber of Arts and Crafts and the Chamber of Commerce could be involved in this.
- Implementing measures to enhance the potential of establishments in the teaching methodology network, such as the IFP and the INFP, supporting the introduction of new information and communication technologies. In this context, the authorities in the sector attach particular importance **to creating a communications network dedicated to the field of information and guidance**, with the aim of helping to improve the flow of the dissemination and circulation of information. This network would enable the new information and communication technologies (Nouvelles Technologies de l'Information et de la Communication – NTICs) to be used for didactic purposes to the benefit of trainers and supervisory staff. The network of support establishments (IFP and INFP) would have an important part to play. One establishment could be identified as a pilot

centre for development. This network would not be rigidly dedicated to steering the system, but it would be called on to fulfil an important function by virtue of its receptiveness to multiple needs and publics (dissemination of information, circulation of programmes, training provision and even distance training).

- Owing to the costs involved, this measure requires a feasibility study focusing in particular on its viability. Sponsors should be identified and use should be made of ad hoc programmes such as the EUMEDIS initiative, a regional MEDA project, part of which relates to the application of information and communication technologies to education.
- Carrying out a study of the economic impact of the levies for apprenticeship and continuing training and their effect on the training system. **Formulating hypotheses for the functioning of the FNAC** involving effective participation of the social partners, preferably outlining progressive and selective implementation of the mechanism (economic sectors, regions, etc.). In this context, two-stage process for the FNAC could be investigated: one stage consistent with the current situation, which sees the public sector as having an important role in funding, managing and utilising the Fund; the other from a long-term perspective, with the social partners assuming responsibility for the Fund and the authorities retaining a limited regulatory role.
- Carrying out a study culminating in proposals on administrative autonomy for training establishments and the status of vocational training staff. In this context, it could be useful to make a detailed analysis of the statutory regime and the organisation of certain institutes which, although public in nature, appear to have gained management autonomy, giving them the capacity both to foster and respond to demand for training from various work environments. However, it must be remembered that these are still experiments taking place within the framework of a protected market (the majority of the demand is formulated by public companies). This means that a simulation is required, aiming at predicting the extent to which formulas of this kind can be valid within a framework more strongly characterised by the presence of private economic operators.

Statistical annexes

A. Synoptic diagram of the education/training system



B. Main economic indicators

Table B1 - Total population by main age groups and by sex

Age groups	In thousands			In %		
	M	F	Total	M	F	Total
0-4	1 799	1 723	3 522	12.2	12.0	12.1
5-14	3 723	3 563	7 286	25.2	24.8	25.0
15-24	3 210	3 076	6 286	21.7	21.4	21.6
25-34	2 370	2 316	4 687	16.0	16.1	16.1
35-59	2 817	2 770	5 587	19.1	19.3	19.2
60 and over	858	927	1 754	5.8	6.4	6.0
Total	14 777	14 375	29 151	100	100	100

Source: ONS (National Statistical Office) estimates (1/1/97)

Table B2 - Employment situation – 1997

	In thousands	Rate (%)
Current active population	7 757	26.6 (1)
Population currently in employment	5 708	19.6 (1)
Of which:		
- structured employment	4 741	83.1 (2)
- homeworking	967	16.9 (2)
Unemployed	2 049	26.4 (3)

(1) As a percentage of the total population

(2) As a percentage of the population in employment

(3) As a percentage of the active population

Source: ONS (*) "Enquête main d'oeuvre 30/9/1997 (définition BIT)" [Labour force survey 30/9/1997 (ILO definition)]

Using the definitions of the RGPH (*Recensement général de la population et de l'habitat* - general population and environment census), the figures would be: active population 7 484, in employment 5 274, unemployed 2 210, unemployment rate 29.5%

Table B3 - Employment rate (population in employment as a percentage of the active population) by age groups and by sex

Age groups	M	F	Total
16-24	37.3	38.4	37.4
25-34	73.8	74.3	73.8
35-59	87.1	86.5	87.0
60 and over	95.5	99.0	95.8
Total	71.1	66.7	70.5

Source: ONS (*)

Table B4 - Population in employment by sector of activity

	Pop. in employment		Of whom, marginal	
	Numbers (thousands) (1)	%	Numbers (thousands) (2)	(2)/(1) %
Agriculture	884	15.5	181	20.5
Industry	584	10.2	22	3.8
Buildings and public works	588	10.3	30	5.2
Business	838	14.7	72	8.6
Services	1 496	26.2	129	8.6
Public services	1 317	23.1		
Total	5 708	100.0	434	7.6

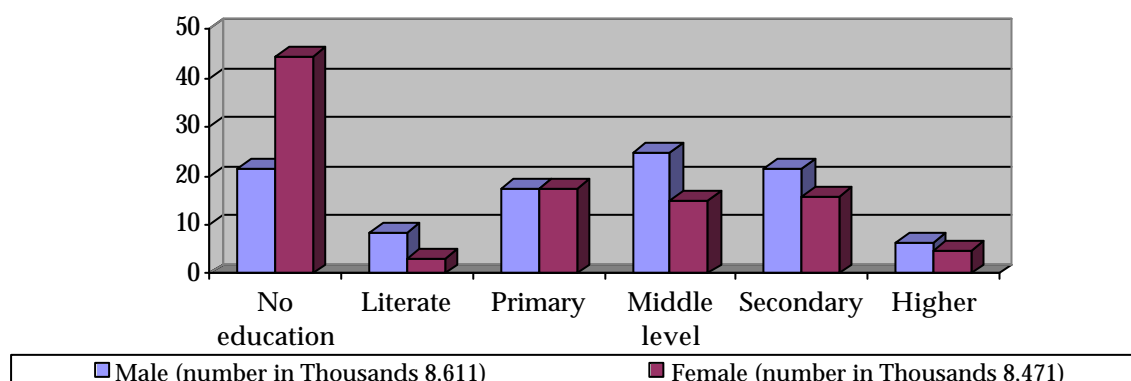
Source: ONS (*)

Table B5 - Population in employment by status –1997 (30/9)

Population currently in employment	Numbers (thousands)	%
Employers and self-employed	1 597	27.9
Wage earners in permanent employment	2 693	47.2
Wage earners not in permanent employment + apprentices + others	1 072	18.8
Family helpers	346	6.1
Total	5 708	100.0

Source: ONS (*)

Table B6 – Percentage of the population aged 16 and over by level of education and by sex (1997)



Source: ONS (*)

Table B7 - Labour market demand and supply (Labour market administered by the ANEM⁶)

	1994	1998
Demand	142 808	166 299
- of which, women (%)	14.4	13.4
- of which aged 16-25 (%)	41.7	17.2
Supply	44 149	28 788
- of which, public (%)	76.4	79.0
- of which, private (%)	23.6	21.0
Placements	36 985	26 564
- of which, permanent (%)	34.6	20.5
- of which, temporary (%)	65.4	79.5
Supply/demand (%)	30.9	24.3
Placements/demand (%)	25.9	21.1
Placements/supply (%)	83.7	87.4

Source: ANEM

Table B8 - Potential entries into the labour market between 2000 and 2025 (in thousands)

	2000-05	2005-10	2010-15	2015-20	2020-25
Entries	703	713	731	614	575
Departures	102	110	117	152	204
Net entries	601	603	614	462	371

Source: Y. Courbage "Nuovi scenari demografici" [New demographic scenarios], Fondazione G. Agnelli 1998

Tableau B9 – Hypothetical employment trends, 1997-2010

	"Underlying trend" scenario	"Full employment" scenario
Jobs created (in thousands)	2 830	5 291
• of which, informal economy	906	2 420
• of which, structured economy	1 924	3 051
% distribution by sectors		
• Public services		16.1
• Agriculture		14.6
• Industry		19.3
• Buildings and public works		24.9
• Services		25.1
Total		100.0
Unemployment rate	33.3	14.0

Source: CNES "Avis sur le Plan National de lutte contre le chômage" [Opinion on the national plan for combating unemployment] (1999)

⁶ Agence nationale pour l'emploi et la main d'oeuvre - National Agency for Employment and the Labour Force

C. Indicators of participation in basic education and vocational training

Table C1 – School attendance rates, total and by sex, by cycle of education (1995)

	Primary		Secondary	
	Gross	Net	Gross	Net
Girls	100	91	59	53
Boys	112	99	66	59
Total	107	95	62	56

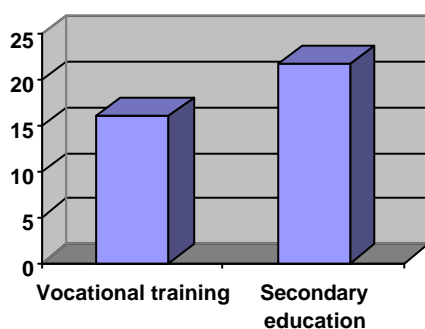
Source: UNESCO

Tableau C2 - Rates of participation in education of young people aged 15-19

	Girls	Boys	Total
Basic education	12.1	17.1	14.6
Secondary education	9.4	8.5	8.9
Total	21.5	25.6	23.5

Source: Figures - Ministry of National Education; population aged 15-19 - ONS estimate

Table C3 - Dropout rates for vocational training programmes and secondary education (%)



Source: Ministry of National Education – State Training Secretariat

D. Expenditure on education

Public expenditure on education and training as a % of GDP: 6.7% in 1998, of which 0.3% on vocational training

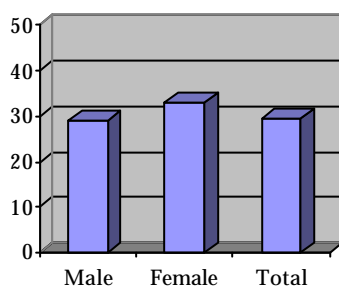
E. Level of education of the population

Population aged 25-59:	%
Having completed basic education only	83.5
Having completed secondary education	1.7
Having completed higher education	0.3

Source: ONS 1998

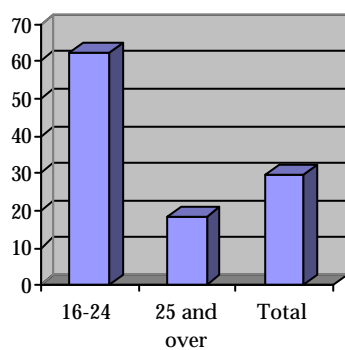
F. Unemployment rate for the population

Table F1 - Unemployment rate by sex (%)



Source: ONS

Table F2 - Unemployment rate by age (%)



Source: ONS

Table F3 - Unemployment rate for the population aged 25-59 by qualification (%)

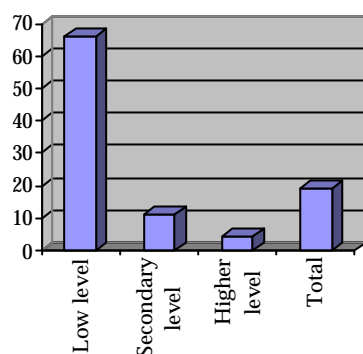
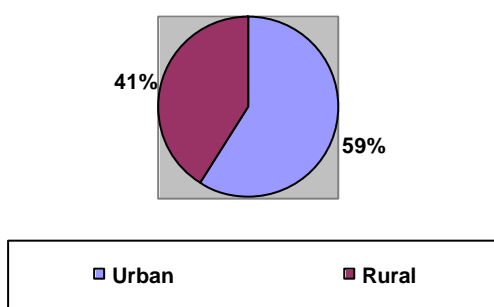


Table F4 - Unemployed by environment



Source: ONS (*)

G. Management training indicator

General configuration of the system of management training institutes

Number of institutes

Activities	Public	Private	Total
Training	3	20	23
Training and advice	3	11	14
Total	6	31	37

Annual capacities:

- 50 full-length programmes taking 6 to 12 months for groups averaging 20 people;
- 2000 seminars of 2-5-days with an average of 15 participants;
- 20 meetings with an average of 100 participants.

Human resources:

- 50 permanent staff;
- 200 part-time staff.

Geographical location (%):

- Algiers region 70;
- Oran 10;
- Annaba 10;
- Rest of the country 10.

Source: National Symposium on "Management and Management Training" 1999

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List of bodies/acronyms:

- *Agence de Développement Social* – Social Development Agency (ADS)
- *Agence Nationale pour l'Emploi et la Main-d'œuvre* - National Agency for Employment and the Labour Force (ANEM)
- *Agence Nationale de Soutien à l'Emploi des Jeunes* - - National Support Agency for Youth Employment (ANSEJ)
- *Agence de Promotion de Soutien et de Suivi des Investissements* - Agency for Investment Promotion, Support and Monitoring (APSI)
- *Association Nationale des Etablissements de Formation Agréés* - National Association of Approved Training Establishments (ANEFA)
- *Caisse Nationale d'Assurance Chômage* - National Unemployment Insurance Fund (CNAC)
- *Centre d'Aide au Travail Indépendant* - Centres for Assistance with Self-employment (CATI)
- *Centre d'Etudes et de Recherches sur les Professions et les Qualifications* - Study and Research Centre for Occupations and Qualifications (CERPEQ)
- *Centre de Formation Professionnelle et d'Apprentissage* - Vocational Training and Apprenticeship Centres (CFPA)
- *Centre de Formation et de Vulgarisation Agricole* - Centres for Agricultural Training and Popularisation (CFVA)
- *Centre National de l'Enseignement Professionnel à Distance* - National Centre for distance vocational education (CNEPD)
- *Centre de Recherche d'Emploi* - Job Search Centres (CRE)
- *Chambre Algérienne de Commerce et d'Industrie* - Algerian Chamber of Commerce and Industry (CACI)
- *Chambre de Commerce et de l'Industrie* - Chamber of Commerce and Industry (CCI)
- *Chambre Nationale de l'Artisanat et des Métiers* - National Chamber of Craft and Trades (CNAM)
- *Chantier pour activités d'intérêt général* - Sites for Activities in the General Interest (CAIG)
- *Conseil National Consultatif de la Formation Professionnelle* - National Consultative Council for Vocational Training (CNCFP)
- *Conseil National Economique et Social* - National Economic and Social Council (CNES)
- *Conseil Supérieur de l'Education* - National Consultative Council for Vocational Training (CSE)
- *Ecole Nationale Supérieure du Tourisme* - Higher National School of Tourism (ENST)
- *Ecole Supérieure d'Administration du Personnel* - Higher School of Personnel Management (ESAP)

- *Emplois Salariés d'Initiative Locale* - Local Initiatives for Paid Jobs (ESIL)
- *Etablissement National d'Equipement de la Formation Professionnelle* - National Institute for VET-equipment (ENEFP)
- *Fonds National de Soutien à l'Emploi des Jeunes* - Fund for the creation of micro-enterprises (FNSEJ)
- *Fonds National de développement de l'Apprentissage et de la Formation continue* - National Development Fund for Apprenticeship and Continuing Training (FNAC)
- *Institut de Formation des formateurs et du Personnel d'encadrement* - Vocational Training Institutes (IFP)
- *Institut National de Développement et de Promotion de la Formation Continue* - - National Institute for the Development and Promotion of Continuing Training (INDEFOC)
- *Institut National de la Formation Professionnelle* - National Vocational Training Institute (INFP)
- *Institut National de la Productivité et du Développement Industriel* - National Institute of Industrial Productivity and Development (INPED)
- *Institut National Spécialisé de Formation Professionnelle* - - National Specialist Institute for Vocational Training (INSFP)
- *Institut Supérieur de Gestion et de Planification* - Higher Institute of Management and Planning (ISGP)
- *Institut des Techniques Hôtelières et Touristiques* - Institute of Hotel and Tourism Techniques (ITHT)
- *Institut de Technologie "Moyens Agricoles Spécialisés"* - Institutes of technology with "specialised agricultural resources" (ITMAS)
- *Secrétariat d'état à la Formation Professionnelle* - State Vocational Training Secretariat (SEFP)
- *Travaux d'Utilité Publique à Haute Intensité de Main-d'Oeuvre* - Highly labour-intensive Works in the Public good (TUP-HIMO)
- *Université de la Formation Continue* - University for Continuing Training (UFC)