

# ALGERIA

EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2016



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## KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN ALGERIA

The five-year government plan (2014–2018) underlines the importance of fighting unemployment, privatising and diversifying industry and promoting social dialogue. It also states the need for increased business sector involvement in education.

A revision of the constitution was adopted in February 2016<sup>1</sup>. Revisions aimed at the promotion of a more market-based economy. Achieving a diversified economy and fighting corruption become explicit objectives. Freedom of trade and investment is recognised and the government has undertaken to 'strive to improve the business climate' by banning monopolies and unfair competition amongst other measures.

On the political front, the constitution re-introduces the two-term limit on the presidency (lifted in 2008). Bi-nationals no longer have access to high-level political functions<sup>2</sup>, and Tamazight<sup>3</sup> has been made an official and national language.

In recent years, cooperation between Algeria and the European Union (EU) has experienced renewed dynamism and several new programmes have been agreed and launched, particularly focused on economic diversification and the unemployment challenges faced by the country.

### 1. Key demographic and economic characteristics

With 39.7 million inhabitants, Algeria is the most populous country in the Maghreb (UNDP, 2015). The population is unevenly spread over the country, with the vast majority of people living in the extreme north of the country along the Mediterranean Coast. One in every four Algerians is aged between 15 and 24 years (Ibid.).

The economy is facing a severe and probably long-lasting external shock that calls for a vigorous policy response built on fiscal consolidation and structural reform. Algeria is a middle-income country with a gross domestic product (GDP) that has steadily worsened from mid-2014 in line with the slump in global oil prices. The country now needs to reshape its growth model in order to smooth adjustment to the shock (IMF, 2016)<sup>4</sup>.

The collapse in oil prices has exposed longstanding vulnerabilities in a state-led economy that is overly dependent on hydrocarbons, which account for about one-third of GDP and 98% of exports (World Bank, 2015). Thus far, the impact of the oil price shock on growth has been limited, but fiscal and external balances have deteriorated significantly. In response, in December 2015, the government adopted an overdue set of austerity policies. The 2016 budget calls for a 9% cut in expenditure (mostly investment) and a 4% increase in tax revenue. The budget empowers finance authorities to approve further cuts if oil prices fall lower than the average oil price assumption and to engage in external borrowing if needed. The Government will also apply new import licenses and is considering raising electricity prices closer to their cost. Monetary authorities will allow the Algerian dinar (DZD) to further depreciate so as to prevent its misalignment (World Bank, 2016).

Within this economic context, in 2015, the share of GDP by sector remained fairly stable, led by the industrial and service sectors (47.9% and 39% respectively), followed by agriculture (13.1%) (World

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<sup>1</sup> Through Law No 16-01 of 26 Jomada El Oula 1437 corresponding to 6 March 2016, [www.joradp.dz/FTP/jo-francais/2016/F2016014.pdf](http://www.joradp.dz/FTP/jo-francais/2016/F2016014.pdf)

<sup>2</sup> Exclusive Algerian nationality is an eligibility requirement for high State responsibilities and political roles.

<sup>3</sup> Berber language

<sup>4</sup> [www.imf.org/external/pubs/ft/scr/2016/cr16127.pdf](http://www.imf.org/external/pubs/ft/scr/2016/cr16127.pdf), last accessed 4 August 2016

Bank). Employment by sector indicates that the trade and service sector absorbs the majority of employees (61.6%), followed by the construction and public works sector (16.8%), industry (13%) and agriculture (8.7%) (ONS, 2015). Public sector employment is still important, at 42%, with a predominance of women (64.1% of public sector employees) (ONS, 2015). This percentage has remained the same since 2014.

The long-term structural challenges facing the economy remain unchanged, with continued emphasis on reducing subsidies, improving the business environment, diversifying the economy and creating private sector jobs. While the government talks about the need for reforms, only modest steps have been taken.

A business climate marked by difficult access to credit, a complex regulatory environment, and time-consuming procedures to set up a business, holds back the private sector. Corruption and the lack of adequate skills also represent significant obstacles to doing business in the country. Recent efforts in this area – for instance facilitating the creation of enterprises and the granting of building permits – are heading in the right direction. However, they have yet to translate into improved rankings in international surveys and Algeria continues to score low in the World Bank's Doing Business Report (ease of doing business ranked 163th in 2016 out of 189 countries – down some positions on previous years).

The business climate is on the government radar and a committee has been established to produce a reform action plan (World Bank, 2016)<sup>5</sup>. Regional instability continues to be a major concern for both the Algerian authorities and for investors. Security measures along the border with Libya have been recently stepped up.

Trade integration has also proceeded very slowly and negotiations to join the WTO have not made much progress. To boost the economy, the government is seeking to further develop its hydrocarbon resources and has also explicitly embraced private sector development by opening research centres and launching major transport and housing projects.

Since the 1990s, Algeria has embarked on a programme to create a market economy and privatise a wide range of publicly-owned production facilities. This transition to an open economy has required major restructuring and the country has adopted a five-year plan that foresees economic privatisation and diversification. At present, the public sector still employs the bulk of the workforce and most enterprises are one-person micro-businesses. Limited diversification and the slow growth of the private sector have a negative impact on sustainable job creation and therefore represent a further challenge for unemployment (IMF, 2016).

In terms of migration, around 2.6% of the Algerian population was living abroad in 2012. France remains the main destination, followed by Spain and Italy (in the EU), Tunisia (in the South Mediterranean), Canada and the USA. The population of immigrant workers in Algeria was estimated at just 0.27% in the Algerian census of 2008 (ONS, 2008). The number of work permits issued has shown a steep increase in the years from 1 107 to 50 760. Most are taken by Chinese immigrants (41% of all immigrants) engaged in major public works initiated by the government (53% of permits are issued for work in this sector)<sup>6</sup>.

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<sup>5</sup> [www.worldbank.org/en/country/algeria/overview](http://www.worldbank.org/en/country/algeria/overview), last accessed 4 August 2016

<sup>6</sup> Migration Policy Centre, 2013, [www.migrationpolicycentre.eu/docs/migration\\_profiles/Algeria.pdf](http://www.migrationpolicycentre.eu/docs/migration_profiles/Algeria.pdf)

## 2. Education and training

### 2.1 Trends and challenges

Data on education is difficult to access. An integrated system of data collection and analysis does not exist and information is not widely disseminated and published. The summary of annual statistics (*annuaire des statistiques*) is available on paper only and the information provided is not integrated into a single system. The statistical office (ONS) provides online data related to vocational education and training (VET), but the latest available year is 2010. The analysis below is therefore mostly based on data available from international sources.

In 2012, the budget allocated to the education and higher education sector was DZD 871 billion, corresponding to 19% of the total state budget. Out of the total budget for education, 1.07% was allocated to VET<sup>7</sup>. The latest UNESCO data refer to 2008 and indicate that total expenditure on education accounted for 4.34% of GDP.

Extensive efforts in previous decades have led to considerable developments in the education and training system. The literacy campaign in particular has produced good results (94.4% of men and 89.1% of women were literate in the 2008–2012 period)<sup>8</sup>. The majority of the adult population still has a low level of education (62.6% in 2012<sup>9</sup>).

While a number of reforms have been undertaken to improve the quality of the education system, this has not yet led to an improvement in the employability of students leaving the system. Quality measurement indicators are not available as the country did not participate in any international tests, except for PISA<sup>10</sup>. A substantial percentage of students (38%) leave school after their compulsory lower secondary education and some subsequently return to VET through initial or continuing training. Vocational enrolment at the upper secondary level is at the lower end of the scale (9.7%)<sup>11</sup>.

Gross enrolment rates in secondary and upper secondary education were 99.9% and 62.7% respectively in 2011, while the share of VET students was relatively low at 8.3% in secondary and 9.7% in upper secondary. Apprenticeships are offered too, the figures released by the ministry responsible for VET show a total of 247 320 apprentices trained in 2009 on the basis of 4 285 apprenticeship contracts. The available data does not show who the beneficiaries are, how long the courses last or what qualifications are obtained. However, given that 31% of the population are aged 15 to 30 (10.9 million young people) and that almost half of these are early school leavers, the numbers are low (ETF, 2014).

### 2.2 Education and training policy and institutional setting

Pre-school education begins at the age of four and compulsory schooling lasts for nine years, beginning at the age of six and ending at fifteen. When pupils complete their compulsory education, the decision to continue in education and/or begin vocational training is made by default and the system currently foresees no pathways between VET and general education or from upper VET to higher education.

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<sup>7</sup> Based on national data and official journals

<sup>8</sup> UNICEF, Algerian statistics, [www.unicef.org/french/infobycountry/algeria\\_statistics.html](http://www.unicef.org/french/infobycountry/algeria_statistics.html)

<sup>9</sup> Eurostat, see statistical annex at the end of this paper. Data includes illiterate people.

<sup>10</sup> Scores for Algeria were rather low; no comparison with past editions can be made as Algeria participated to PISA for the first time in 2016.

<sup>11</sup> Ministère de la Formation et de l'Enseignement professionnels, *Annuaire des statistiques*, 2014

The ministry responsible for VET is the 'ministère de la Formation et de l'Enseignement professionnels'. The Ministry of National Education is responsible for general education and the Ministry of Higher Education and Research is responsible for higher education. Inter-ministerial cooperation appears limited, as is coordination with the private business sector.

Vocational training takes two forms, either college training or apprenticeship. Although legislation provides for the option of private education, most VET is provided by the state free of charge. The training system offers four special training paths: evening courses, distance learning, training for housewives and training for women in rural areas.

In 2008, a VET reform law was passed and 12 new vocational education institutes were created to initiate a new VET modality and to improve the image of the sector. These schools target 30% to 40% of all students admitted to the post-compulsory cycles and provide for two to four years of training. Students can also choose to continue on to higher education. These new institutes primarily deliver training for occupations in leading sectors such as industry, agriculture, agro-food, hospitality and tourism, construction, management and accounting, and sales, and they are organised in close cooperation with enterprises.

A Partnership Council was created at national level and the plan was to also establish similar entities at local or subnational level. However, currently the council seems to lack the capacities it would need to become a real platform for dialogue capable of triggering reforms and shaping policy. More effort is needed, therefore, to enhance inter-ministerial coordination and dialogue with the private sector to develop a shared vision and common objectives.

The government's five-year plan for 2014 to 2018 has set specific development goals that include:

- a. increasing access to education with the construction of new schools;
- b. developing specific training programmes to target certain social groups, particularly the population in rural areas;
- c. provision of quality training by (i) implementing quality assurance mechanisms for pedagogical activities, financial and administrative management; (ii) training educational staff, particularly trainers; (iii) enhancing career guidance and orientation services; (iv) reorganising the curricula in VET; (v) setting up centres of excellence in the field of agriculture, construction, car mechanics, renewable energies and knowledge-based technologies; (vi) following up on exchange and cooperation programmes; and (vii) following up on the setting up of computerised networks in schools;
- d. plans for partnerships with the business sector by (i) developing the apprenticeship system ('alternance') to involve more enterprises in the training process; (ii) reinforcing coordination with partners in the socio-economic sector to adapt the offer to the needs of the labour market; (iii) opening the pedagogical development network to research institutions and the economic sector.

Progress made towards these mid-term objectives is difficult to assess as there are no official reports. When the plan was officially presented on 1 June 2014, the Prime Minister announced the establishment of mechanisms to monitor progress on a regular basis, but, by September 2016, no official progress reports had been published on the implementation of the plan. The monitoring of progress should be enforced and regular adjustments to the reform should be put in place in close and regular consultation with the relevant VET actors including the business sector.

Continuing training remains limited. Funds are collected by the Ministry of Finance through a 1% tax that is then disbursed through the National Fund for the Development of Apprenticeships and Continuing Training (FNAC), but these are largely unused to date, mainly due to the administrative

burden and complicated reimbursement procedures. In 2014, in agreement with the ministry responsible for VET, FNAC developed a five-year plan to relaunch its activities and structure in order to make it more efficient and improve its services to enterprises. Some activities took place, in particular training for FNAC training advisors strengthening their capacities to provide advice on training skills analysis and the development of tailored training plans to enterprises. This training was organised in 2015 with the support of the EU-funded GEMM project implemented by the ETF<sup>12</sup>.

### 3. Labour market and employment

#### 3.1 Trends and challenges

The low number of opportunities offered by the market and the mismatch between the skills available and those required by employers mean that Algeria remains at a very low level in terms of labour force participation (41.8% in 2013, LFS), despite some improvements on previous years. Great dichotomies persist in relation to age and gender distribution, with women being mostly excluded from the labour market (the labour market participation rate for women and men in 2015 was 16.4% and 66.8% respectively, LFS). In general, the activity rate peaks for women at age 25 to 29 and then gradually reduces as they age. Employment by education level indicates that people with a low or medium level of education have better chances of being employed than those with higher education level (with unemployment rates of 6.9% at the lowest level, 9.7% in the middle ranks and 15.4% at the higher end in 2014, Eurostat). The situation is even more critical for women, where the unemployment rate for those with higher education stands at 21.8%. This also shows some limitation in the economic structure of the country, which does not generate good-quality jobs for highly-skilled workers. Figures from the labour market reflect this, with only 12% of the employed labour force holding a higher education degree<sup>13</sup>.

Unemployment varies across the country, with significantly higher rates in the southern provinces and urban areas. Although the average unemployment rate is relatively low at 11.2% in 2015 (9.9% for men and 16.6% for women), some groups are particularly hard hit by unemployment. Young people and educated women have the highest unemployment rates. Youth unemployment stood at 29.9% (26.7% for males and 45.3% for females, ONS) in 2015, up from 22.4% in 2011. Long-term unemployment is high, standing at 72.2% of the unemployed in 2015 (ONS). This situation only increases the need for training, particularly to upgrade or re-skill unemployed people to equip them with the skills currently needed by the labour market.

The transition from public to private ownership has resulted in a bigger informal sector accounting for an estimated 34.8% of GDP according to the World Bank<sup>14</sup>. Following a period of tolerance, the Algerian authorities have been enforcing legislation to integrate the informal market since 2011.

Permanent contracts for wage workers are concentrated in the public sector, while most wage workers in the private sector are employed on a temporary basis (79.5% in 2011, ONS). World Bank estimates give the share of self-employment in total employment at 29.6%, and the share of the labour force not covered by social security at 63.3% (World Bank, 2011)<sup>15</sup>.

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<sup>12</sup> GEMM (Governance for Employability in the Mediterranean) is a regional project financed by the European Union and implemented by the ETF.

<sup>13</sup> ETF, 2014

<sup>14</sup> World Bank, 'Striving for better jobs: The challenge of informality in the Middle East and North Africa region', *MENA Knowledge and Learning Quick Notes Series*, No 49, World Bank, Washington, DC, 2011

<sup>15</sup> Ibid.

## 3.2 Employment policy and institutional setting

While jobseekers have only recently had access to unemployment insurance schemes<sup>16</sup>, Algeria has been implementing active policy measures to stimulate employment and job creation since 1989. The most recent government plans (2010–2014 and 2014–2018) stress increasing employability, particularly of young people, as one of their main goals.

The National Employment Policy was drafted in 2008 and adopted by the government within the 2010–2014 five-year plan. Its main goal was to reduce unemployment to below 9% and create three million new jobs by 2014. To date, this remains the only strategy to boost employment.

Key actors in the employment policy are the Ministry of Employment, Labour and Social Security and the Ministry of National Solidarity for actions aimed at poverty reduction. Other ministries are also involved, although to a lesser extent, including the Ministry of Agriculture, the Ministry of Small and Medium-sized Enterprises and Handicrafts, and the Ministry of Industry. The National Agency for the Development of SMEs (ANDPME) and the National Agency of Investment Development (ANDI) also have a role to play.

As a result of the national employment policy, Algeria has developed specific employment measures over the years, and these are implemented by five agencies under the control of two ministries.

- Under the Ministry of Employment, Labour and Social Security:
  - ANEM (National Employment Agency): DAIP ('dispositif d'aide à l'insertion professionnelle') – temporary work contracts and internships for youth;
  - ANSEJ (National Agency for Supporting Youth Employment): creation and expansion of micro-enterprises by young people aged 19–35;
  - CNAC (National Unemployment Insurance Fund): unemployment benefits and support for the creation of micro-enterprises for unemployed individuals aged 30–50.
- Under the Ministry of National Solidarity:
  - ADS (Social Development Agency): public works programmes for the poor;
  - ANGEM (National Agency for Management of Microcredit): micro-credits to the poor.

ANEM's core mission is to provide job intermediation services. The agency continues to modernise and improve its public services. Between 1990 and 2004, it was compulsory for all employers in the private sector to inform ANEM about all vacancies. From 2004, employers have been penalised if they do not comply with this obligation.

ANEM's activities accelerated somewhat from dealing with 132 000 vacancies in 2006 to 234 000 in 2010, but decreased again in 2011 when it handled only 182 000 vacancies. Demand for jobs also increased over the same period, with the number of jobseekers rising from 96 000 in 2006 to 181 000 in late 2010. The placement rate increased slightly from 73% to 77%. From 2008, in addition to its core mission, ANEM has also been involved in managing youth employment programmes devised as part of the National Employment Policy.

The services provided by the agencies offering active labour market programmes can be divided into two groups according to the type of employment programme they manage.

- Services to ease social tensions by providing immediate temporary work contracts or internship experiences – ANEM (job intermediation, youth employment programmes involving internships or

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<sup>16</sup> ILO, *World Employment and Social Outlook: Trends 2015*, International Labour Office, Geneva, 2015



work contracts for educated young people) and ADS (public works programmes for poor and unskilled people in disadvantaged regions).

- Services to support entrepreneurship and micro-enterprises by providing business advice, training, credits, tax exemptions and business monitoring – ANSEJ (targeting young people aged 19 to 35, particularly those with higher education), CNAC (targeting unemployed adults aged 35 to 50) and ANGEM (micro-credits to poor people to promote self-employment, work at home, small businesses and crafts). Since 2010, the government has been allocating specific resources and putting in place measures to increase youth access to employment (including tax exemptions, hiring subsidies, government-backed credit guarantees for start-ups and micro-credit for poor households). These measures are putting pressure on the state budget (13.6% of GDP in 2012, (ETF, 2014)) and appear to provide only temporary solutions to the problem.

Each agency runs a range of programmes and has access to considerable resources. While generous resources are available, the information produced on the impact of these services is limited.

There is a lack of clarity on the various responsibilities of the agencies. A mechanism for monitoring and assessing activities is needed to increase the effectiveness of labour market programmes, in particular, entrepreneurship and micro-credit programmes.

The mechanisms in place to anticipate and match skills needs are limited and are not built on the basis of coordinated efforts among the many actors involved in skills development. Companies suffer from skills shortages while having access to limited platforms and mechanisms to express their needs. The ANEM mandate includes labour market analysis relating to needs, anticipation, etc., but this function is limited mainly due to low levels of capacity.

The EU Support Project to the Employment Sector in Algeria (PASEA) that ended in March 2016 had worked with ANEM to reinforce staff capacities in providing intermediation services and to modernise its service offer. Upon request of the EU Delegation, the ETF carried out an analysis of the capacity building actions of the PASEA programme, which gave positive results in terms of the increased capacities of staff to manage and deliver ANEM services to job seekers and enterprises. The evaluation also shows that ANEM is taking positive steps towards modernisation through the establishment of new local offices (ALEM), the professionalisation of staff and the development and implementation of new tools. Efforts to bring services online have been particularly important and the recently established WASSIT platform supports the management and data exchange on job seekers and vacancies, facilitating the matching process. The role of ANEM employment counsellors can be more efficiently fulfilled and the time dedicated to career orientation services has increased. Internal and external communication should also be eased thanks to a new intranet service (A3mali) and a new web site<sup>17</sup>.

The dynamics activated by PASEA and the ANEM commitment to change and enhance employment services should be pursued and an assurance given of the allocation of adequate resources.

The EU Adequacy of Training and Employment Qualifications (AFEQ) Programme, to be launched in 2017, aims to continue this effort and in particular to reinforce cooperation and partnership between the education sector and the labour market. Other actors will be involved, most significantly: the ministry responsible for VET in enhancing apprenticeship schemes; the Ministry of National Education in addressing the problems of dropout; and the Ministry of Higher education and Research in enhancing services for enterprise creation and research opportunities in partnership with enterprises.

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<sup>17</sup> [www.anem.dz/?module=site&crud=recherche\\_active](http://www.anem.dz/?module=site&crud=recherche_active)

# ANNEXES

## Statistical annex

This annex reports annual data from 2011 and 2015 or the last available year.

Indicator		2011	2015	
1	Total population (000)	36 717.1 <sup>e</sup>	39 666.5 <sup>e</sup>	
2	Relative size of youth population (age group 15–24) (%)	29.7 <sup>e</sup>	25.4 <sup>e</sup>	
3	Youth dependency ratio (%)	40.9	43.6	
4	Old-age dependency ratio (%)	8.4	9.1	
5	Global Competitiveness Index	Rank	87	79
		Score	3.9	4.1
6	GDP growth rate (%)	2.9	3.9	
7	GDP per capita (PPP) (current international \$)	13 026.2	14 687.4	
8	GDP by sector (%)	Agriculture added value	8.6	13.1
		Industry added value	52.7	39.0
		Services added value	38.7	47.9
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.	
10	Gini index (%)	M.D.	M.D.	
11	Educational attainment of adult population (aged 25–64 or 15+) (%)	Low <sup>*</sup>	62.6 (2012)	M.D.
		Medium	17.9 (2012)	M.D.
		High	9.8 (2012)	M.D.
12	Gross enrolment rates in secondary education (%)	99.9	M.D.	
13	Share of VET students in secondary education (%)	8.3	M.D.	
14	Gross enrolment rates in upper secondary education (%)	62.7	M.D.	
15	Share of VET students in upper secondary education (%)	9.7	M.D.	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.
		Mathematics	N.A.	N.A.
		Science	N.A.	N.A.
17	Participation in training/lifelong learning (age group 25–64) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
18	Early leavers from education and training (age group 18–24) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
19	Activity rates (aged 15+) by sex (%)	Total	40.8	41.8
		Male	65.3	66.8
		Female	14.2	16.4
20	Employment rates (aged 15+) by sex (%)	Total	36.0	37.1
		Male	59.8	60.2
		Female	11.8	13.6

Indicator		2011	2015	
21	Unemployment rates (aged 15+) by sex (%)	Total	10.0	11.2
		Male	8.4	9.9
		Female	17.2	16.6
22	Unemployment rates (aged 15+) by educational attainment (%)	Low**	6.3	6.9 (2014)
		Medium	8.6	9.7 (2014)
		High	15.2	15.4 (2014)
23	Youth unemployment rates (aged 15–24) by sex (%)	Total	22.4	29.9
		Male	19.1	26.7
		Female	38.1	45.3
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		72.1	72.2
25	Long-term unemployment rate (aged 15+) (%)		7.1	8.1
26	Incidence of self-employment (%)		30.9	28.7
27	Share of the employed in the public sector (%)		40	42.0
28	Employment by sector (%)	Agriculture	10.8	8.7
		Industry	30.8	29.8
		Services	55.2	61.6
29	Employment in the informal sector (%)		M.D.	M.D.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) by sex (%)	Total	24.5 (2010)	21.5 (2013)
		Male	10.8 (2010)	8.8 (2013)
		Female	39.1 (2010)	34.6 (2013)
31	Public expenditure on education (as % of GDP)		4.3 (2008)	M.D.
32	Public expenditure on education (as % of total public expenditure)		11.4 (2008)	M.D.
33	Skill gaps (%)		36.8 (2007)	M.D.
34	Contribution of SMEs to GDP (%)		M.D.	M.D.
35	Share of SMEs in employment (%)		13,9 (2009)	M.D.

**Sources:** Indicators 1, 2 – UNDP\_WPP15; 3, 4, 6, 7, 8 – World Bank, World Development Indicators database; 5 – World Economic Forum; 11, 22, 26 – Eurostat; 12, 13, 14, 15, 31, 32 – UNESCO Institute for Statistics; 19, 20, 21, 23, 24, 25, 26, 27, 28 – National Statistical Office of Algeria; 30 – OECD

**Legend:** N.A. = not applicable; M.D. = missing data

**Notes:** <sup>(e)</sup> Estimate. <sup>(f)</sup> Includes illiterate people. <sup>(\*\*)</sup> ISCED 0-1 (does not include illiterate people).

## Definition of indicators

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15–24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old-age dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape, providing insight into the drivers of countries' productivity and prosperity. It is expressed as a score on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population and converted into international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from agriculture, industry and services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	A Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (aged 25–64 or 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	The number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary education (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET).
14	Gross enrolment rates in upper secondary education (%)	The number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET).
16	Low achievement in reading, mathematics and science – PISA (%)	The share of 15-year-olds failing to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25–64) by sex (%)	The share of persons aged 25–64 who stated that they had received education or training in the four weeks preceding the (LFS) survey.

Description	Definition
18 Early leavers from education and training (age group 18–24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 levels 0–3C short for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
19 Activity rates (aged 15+) by sex (%)	Activity rates represent the labour force as a percentage of the working-age population.
20 Employment rates (aged 15+) by sex (%)	Employment rates represent persons in employment as a percentage of the working-age population.
21 Unemployment rates (aged 15+) by sex (%)	Unemployment rates represent unemployed persons as a percentage of the labour force.
22 Unemployment rates (aged 15+) by educational attainment (%)	Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED levels 0–2); medium (ISCED levels 3–4); and high (ISCED 1997 levels 5–6 and ISCED 2011 levels 5–8).
23 Youth unemployment rates (aged 15–24) by sex (%)	Youth unemployment rates represent young unemployed persons (aged 15–24) as a percentage of the labour force (15–24).
24 Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	The number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25 Long-term unemployment rate (aged 15+) (%)	The number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26 Incidence of self-employment (%)	The share of self-employed as a proportion of the total employed. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27 Share of the employed in the public sector (%)	The share of those employed in the public sector as a proportion of the total employed.
28 Employment by sector (%)	The share of those employed in agriculture, industry and services.
29 Employment in the informal sector	The share of persons employed in the informal sector in total non-agricultural employment.
30 Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group who are not employed and not involved in further education or training.
31 Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans, as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32 Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33 Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34 Contribution of SMEs to GDP (%)	The share of value added from small and medium-sized businesses.
35 Share of SMEs in employment (%)	The share of persons employed in small and medium-sized businesses.





FOR FURTHER INFORMATION ABOUT  
OUR ACTIVITIES PLEASE CONTACT:

COMMUNICATION DEPARTMENT  
EUROPEAN TRAINING FOUNDATION  
VIALE SETTIMIO SEVERO 65  
I - 10133 TORINO

E: [INFO@ETF.EUROPA.EU](mailto:INFO@ETF.EUROPA.EU)

T: +39 011 6302222

F: +39 011 6302200

[WWW.ETF.EUROPA.EU](http://WWW.ETF.EUROPA.EU)