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Financial Inclusion in Algeria: An Overview and Constraints

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Abstract:

This study offers a diagnostic assessment of the current state of financial inclusion in Algeria, drawing on the principal available indicators while identifying the binding constraints that impede its expansion. The empirical evidence indicates that, notwithstanding governmental initiatives aimed at fostering financial inclusion, the overall level remains comparatively low relative to peer countries. The constraints identified include, inter alia, inadequate banking infrastructure in rural and remote areas and entrenched institutional distrust toward the financial system and weak adaptability of available financial products. In light of these findings, the study argues for the design and implementation of a coherent and equitable national strategy predicated on enhanced coordination between public and private stakeholders and sustained awareness-raising efforts to strengthen financial literacy across the population,

Key Words: *Financial inclusion; Algeria; Binding constraints; public and private stakeholders; Financial literacy.*

JEL Classification: *G21 ، O16 ، O55*

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1. *Introduction*

Financial inclusion has increasingly emerged as a central policy priority for both international organizations and national governments, given its widely acknowledged role as a critical lever of socio-economic development. At its core, it aims to ensure that all citizens and enterprises—especially the most vulnerable—can access and effectively use basic financial services, including savings, credit, insurance, and payment instruments (Bendjelloul & Merniz, 2024). By widening access to such services, financial inclusion can contribute to poverty alleviation, support entrepreneurial activity, and foster the formal economic integration of excluded populations, whether exclusion is voluntary or involuntary (Feredj, Madadi, & Abdallah, 2021).

Globally, a wide range of countries have deployed strategies to strengthen financial inclusion, notably through the digitalization of financial services, the expansion of microfinance, and the development of Islamic finance. Within the MENA region, countries such as Saudi Arabia (Khan & FAF, 2022) and Jordan (Al Khub, Saeudy, & Gerged, 2024) have registered notable progress, particularly through initiatives such as e-wallets, mobile banking accounts, and digital payments. These instruments have expanded access to formal financial services among previously underserved groups, notably women, youth, and residents of rural areas.

Similar to other MENA countries, Algeria has acknowledged the strategic salience of financial inclusion and, over recent years, has sought to establish a more supportive regulatory framework. It has also launched awareness-raising initiatives intended to integrate a population that remains reluctant toward the formal financial system, particularly through the digitalization of banking services. These measures seek to improve citizens' living conditionswhilerestoring trust in financial institutions. (Sam, 2017)

Against this backdrop, the present article aims to provide as clear and rigorous a picture as possible of the current status of financial inclusion in Algeria, its key stakes, and the major constraints hindering its development. More specifically, it seeks to address the following research question: **"What is the current state of financial inclusion in Algeria, and what constraints are impeding its development?"**

Addressing this question requires examining both the actual level of financial inclusion—through the analysis of objective indicators—and the major constraints restraining its expansion. Accordingly, two hypotheses are advanced:

H1: Despite certain institutional advances, financial inclusion in Algeria remains globally low according to major international indicators, reflecting limited and uneven access to formal financialservices.

H2: Low financial literacy, alongside insufficient diversity and adaptability of available financial products, constitutes the primary impediment to the uptake and use of financial services.

This article provides an analytical appraisal of financial inclusion in Algeria and seeks to identify the principal constraints that hinder its development. To this end, an analytical approach is adopted that (i) establishes an up-to-date situational overview of financial inclusion and (ii) delineates the main structural impediments limiting its progress. The study primarily draws on data from the World Bank and the Bank of Algeria. The longitudinal evolution of these indicators is examined over the period 2004–2022 for certain measures and 2011–2023 for others.

To address the research problem, the article is structured into three main sections. The first section clarifies the concept of financial inclusion, its key stakes, and the principal indicators used for its assessment. The second section provides a quantitative analysis of the current state of financial inclusion in Algeria based on available indicators. The final section identifies the main constraints hindering the development of financial inclusion in the country while highlighting potential levers that may foster its improvement.

2. What is financial inclusion?

The purpose of this section is to explicate the concept of financial inclusion emphasizing its definition, its importance, and its key dimensions and indicators.

2.1 Definition of Financial Inclusion

According to the World Bank,«*Financial inclusion refers to the ability of individuals and firms to access a broad range of financial products and services—such as transactions, payments, savings, credit, and insurance—that are affordable, useful, tailored to users' needs, and provided by reliable and responsible service providers*».(Banque Mondiale, 2021)

The Bank of Algeria defines financial inclusion as « *the availability and use of all financial services by different segments of society—including institutions and individuals, especially those who are marginalized—through official channels, notably current and savings accounts, payment and transfer services, insurance services, financing and credit services, as well as more appropriate financial service innovations offered at competitive and reasonable prices*». (Banque d'Algérie, 2022)

In a broad sense, (Mekouar & Robert, 2019)conceptualize financial inclusion as the access to and effective use of formal financial services by individuals and firms, delivered responsibly and at a reasonable cost.

Synthesizing these perspectives, financial inclusion may be defined as the capability of individuals to access and effectively utilize formal financial services at affordable cost structures, offered by trustworthy and accountable providers, with a view to improving quality of life while overcoming the constraints that limit full and sustained adoption.

2.2 Why is financial inclusion important?

Financial inclusion is of considerable significance for several interrelated reasons:(Babas & Fali, 2021)

- ***Stimulating economic growth:*** Access to a diversified set of financial products (loans, credit facilities, savings accounts) by households and firms can catalyze entrepreneurial initiatives and productive investment projects.
- ***Reducing poverty:*** By using financial services, economic agents can better manage day-to-day expenditures and accumulate precautionary savings to mitigate future shocks and contingencies.
- ***Job creation:*** Financial inclusion can foster employment generation by facilitating the provision of capital to SMEs, thereby supporting activities that serve broader public interest.
- ***Reducing inequalities:*** By extending financial services to all segments of society—including disadvantaged groups—financial inclusion can strengthen social equity.

- ***Enhancing well-being:*** Facilitating access to finance enables individuals to invest in housing and health, thereby improving overall living standards and quality of life.

2.3 The Dimensions of Financial Inclusion

Measuring the degree of financial inclusion requires specifying its core dimensions, namely: (Bendjelloul & Merniz, 2024)

- ***Access***, which refers to the availability of financial products and services—captured, for example, by the density of bank branches and ATMs, as well as the supply of digital financial services;
- ***Usage***, which reflects the frequency and intensity with which individuals and firms rely on financial products such as accounts, payment instruments, credit, and insurance; and
- ***Quality***, which extends beyond mere adequacy-to-needs to include transparency, cost, security, and user satisfaction.

These dimensions constitute fundamental analytical lenses for understanding how individuals reach and experience financial services. They help diagnose and interpret the state of financial inclusion in a given context, especially among vulnerable populations. (Meziane, 2024)

2.3.1 Access and Availability of Regulated Formal Financial Services

The access dimension highlights individuals' ability to reach financial services and products offered by formal institutions. In other words, it concerns whether basic financial services are available and easily reachable—particularly for disadvantaged or geographically remote populations—under affordable, equitable, and transparent conditions.

Potential barriers to access include the physical proximity of banking service points (branches, ATMs, etc.) and the costs associated with accessing and using these services. The effectiveness of this dimension may be assessed using the following indicators: (Mammeri & Oukil, 2019)

- Number of access points per 10,000 adults;
- Number of ATMs per 1,000 square kilometers;
- Electronic-access accounts;
- Extent of interconnections (linkages) between service delivery points;
- Percentage of individuals living in residential units characterized by a single—and insufficient—access point.

2.3.2 Usage

The usage dimension captures the *actual* utilization of financial services and products by the population, including the use of bank accounts, debit/credit cards, mobile payments, loans, insurance, and related services. Importantly, usage is not limited to initial adoption; it also encompasses the intensity, regularity, frequency, and duration of use over time by an individual.Key indicators for this dimension include:(Bensehamdi & Chouam, 2022)

- Number of accounts held by adults aged 15+ with at least primary education, as well as those with at most secondary education;
- Number of deposit and borrowing accounts per 10,000 adults;
- Number of accounts held by adults aged 15+;
- Number of deposit accounts in rural areas.

2.3.3 Quality

Several factors shape the quality of financial services, which makes its evaluation more complex and more subjective than other dimensions. Among these factors are the cost of financial products, consumer protection, service reliability, and transaction security, among others. The indicators commonly used to assess this dimension include: (Ben oudina & Morsli, 2024)

- ***Transparency:*** Financial service providers ensure that consumers receive comprehensive, intelligible, and error-free information, enabling informed and rational decision-making.
- ***Convenience and ease:*** This indicator reflects the degree of customer satisfaction regarding ease of access and the usability of the proposed financial services.
- ***Consumer protection*****:** This indicator emphasizes the safeguarding of consumers' rights through the prevention of abuse, ensuring fair benefits free from unjust or deceptive practices.
- ***Financial literacy:*** This indicator measures users' basic financial knowledge and their capacity to plan and manage income.
- ***Financial behavior:*** It is essential to understand how borrowers comply with repayment schedules over a given time horizon.
- ***Breadth of choice:*** Financial inclusion is not confined to access and usage; rather, a diversified portfolio of financial service options must be made available to clients.

3. Analysis of the State of Financial Inclusion in Algeria

This section examines the state of financial inclusion in Algeria through an assessment of key financial-inclusion indicators, which make it possible to concretely gauge individuals' access to formal financial services as well as the effective usage of these products. Evaluating financial-inclusion indicators is essential not only to measure progress achieved, but also to guide, design, and monitor public-policy strategies and financial institutions' inclusion-oriented interventions. (Bendjelloul & Merniz, 2024)

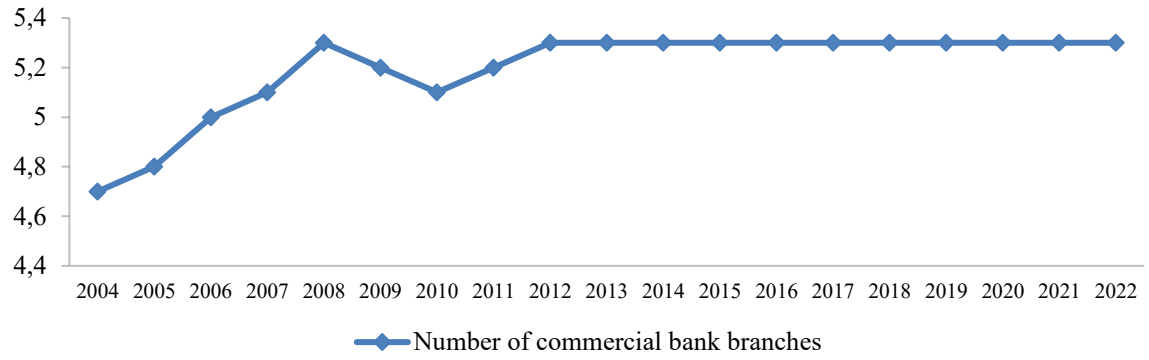
3.1 Access Indicators

The access dimension can be captured through a set of indicators, including: the number of commercial bank branches, the number of bank agencies, the number of automated teller machines (ATMs), the number of electronic payment terminals / point-of-sale (POS) terminals, the number of post offices, and the number of insurance companies.

3.1.1 Commercial bank branches

According to the annual report released at the end of December 2023 by the Bank of Algeria, the Algerian banking system comprises 28 banks and financial institutions, all of whose headquarters are located inAlgiers (Banque d'Algérie, 2023). The evolution of the number of commercial bank branches per 100,000 adults over the period 2004–2022 is shown in Figure 1.

Fig.1. Number of commercial bank branches per 100,000 adults (2004–2022)



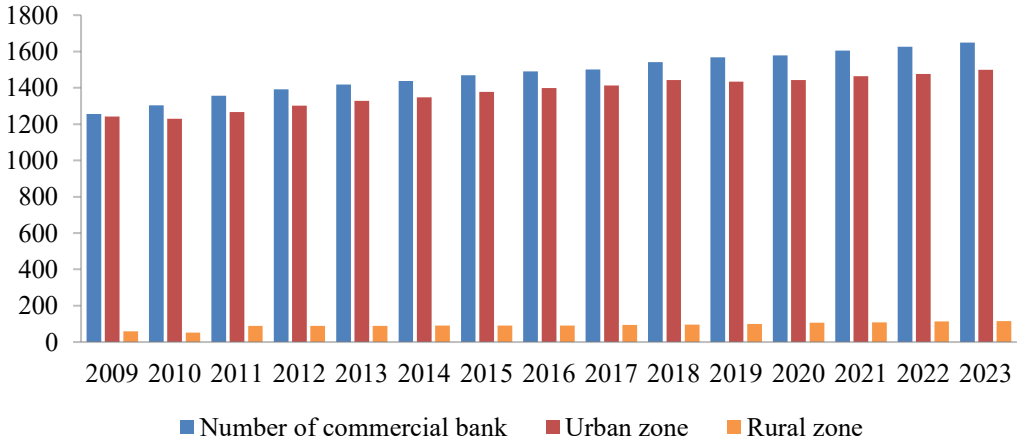
Source: Authors' elaboration based on World Bank data, available at: https://donnees.banquemondiale.org/indicateur/FB.CBK.BRCH.P5?locations=DZ

The number of branches recorded a relatively modest increase over 2004–2022, amounting to 12.77%. Algeria's efforts in expanding commercial banking branches therefore remain insufficient compared with other North African countries such as Tunisia (growth rate of 92.17%) and Egypt (72.27%) over the same period. This limited expansion may be attributable to Algeria's policy stance regarding foreign investors' attractiveness and the broader business climate. (Rakhrour & Benilles, 2021)

3.1.2 Bank agencies

To ensure physical presence across the national territory and maintain proximity to customers, banks may also expand their agency networks. Figure 2 traces the evolution of the number of commercial bank agencies over 2009–2023, disaggregated by rural and urban areas.

Fig.2. Evolution of the number of commercial bank agencies (2009–2023), rural vs. urban



Source: Authors' elaboration based on Bank of Algeria data, available at: https://www.bank-of-algeria.dz/nombre-agences-wilaya/

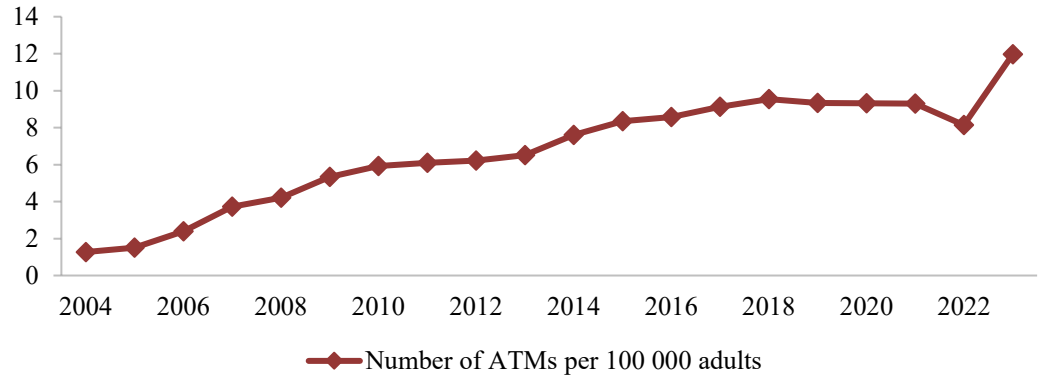
The number of bank agencies—including public and private financial institutions—rose markedly between 2009 and 2023, increasing from 1,256 commercial bank agencies to 1,649, i.e., an expansion of 31%. This growth is consistent with the policy adopted by the Algerian state to support banking penetration (bancarization) and financial inclusion nationwide. However, a pronounced spatial imbalance is observed in the distribution of agencies between urban and rural areas. Rural areas remain marginalized, facing deficits in basic infrastructure and financial

establishments, unlike urban areas where population density is higher and amenities are more developed. Such disparity generates unequal access to financial services and constitutes a major challenge for the country's financial-inclusion agenda.

3.1.3 Automated banking teller machines (ATMs)

ATMs—considered automated service devices provided by financial institutions through public electronic terminals—enable individuals to perform withdrawals at their preferred times, thereby facilitating the use of banking products. Figure 3 presents the evolution of the number of ATMs per 100,000 adults in Algeria over 2004–2023.

Fig.3. Evolution of the number of ATMs per 100,000 adults (2004–2023)



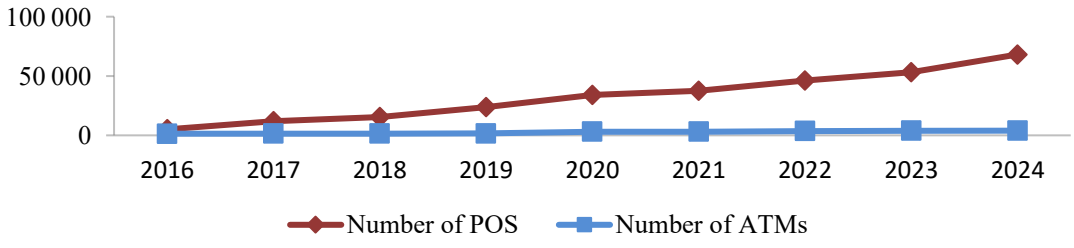
Source: Authors' elaboration based on World Bank data, available at: https://donnees.banquemondiale.org/indicateur/FB.ATM.TOTL.P5?locations=DZ

Figure 3 indicates a substantial increase in the number of ATMs, rising from 1.27 per 100,000 inhabitants in 2004 to 11.96 in 2023—an increase of roughly 800%. This growth signals public authorities' and financial institutions' commitment to modernizing the banking offer. Nonetheless, the network remains comparatively underdeveloped relative to other countries, which underscores the need for targeted policies aimed at densifying distribution networks and scaling up digital solutions nationwide.

3.1.4 Number of ATMs and POS terminals

POS terminals provide basic financial services that facilitate access and promote electronic payments. ATMs, for their part, can provide a broader set of services, including balance inquiries, fund transfers, top-ups, bill payments, and other functionalities, thereby expanding the range of formal financial services available. Figure 4 presents the evolution of the number of ATMs and POS terminals in operation nationwide over 2016–2024.

Fig.4. Evolution of the number of ATMs and POS terminals in operation nationwide (2016–2024)



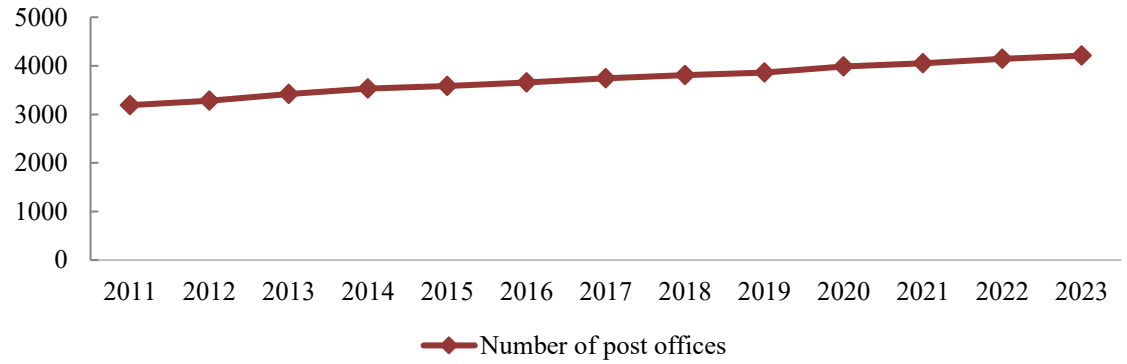
Source: Authors' elaboration based on data from the *Groupement d'Intérêt Économique Monétique (GIE Monétique)*, available at: https://giemonetique.dz/cartes/

As shown in Figure 4, over the period 2014–2024 (as reported in the text), the numbers of ATMs and POS terminals increased substantially, by 187.74% and 1,249.57%, respectively. Notably, growth in POS terminals markedly outpaced growth in ATMs. This trajectory reflects efforts deployed by the state to strengthen the use of electronic financial services, by facilitating access, modernizing payments, reducing reliance on cash, and ensuring service availability beyond the operating-hour constraints of bank agencies.

3.1.5 Post offices

Incorporating post offices into the scope of financial inclusion has helped users meet a range of financial needs by providing cash deposit and withdrawal services in addition to basic savings accounts. Figure 5 presents the evolution of the number of post offices over 2011–2023.

Fig.5. Evolution of the number of post offices (2011–2023)



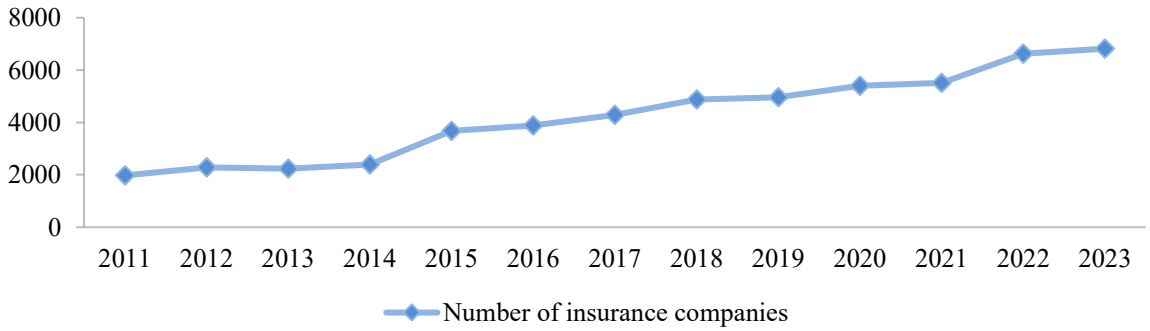
Source: Authors' elaboration based on Bank of Algeria and Universal Postal Union data, available at: https://www.bank-of-algeria.dz/nombre-agences-wilaya/ and https://www.upu.int/fr/union-postale-universelle

Figure 5 shows a steady increase in post offices between 2011 and 2023, from 3,190 to 4,209, representing an increase of 31.94% over 12 years. This progression reflects public authorities' intent to promote population participation in the formal sector through the use of financial services, especially in areas where traditional banking products remain inaccessible or limited.

3.1.6 Insurance companies

The insurance sector is widely regarded as a vector of financial inclusion: it not only provides protection to individuals but can also stimulate demand for financial products. Figure 6 traces the evolution of the number of insurance companies in Algeria over 2011–2023.

Fig.6. Evolution of the number of insurance companies (2011–2023)



Source: Authors' elaboration based on reports published by the National Insurance Council, available at: https://cna.dz/notes-statistiques/

The number of insurance companies increased continuously, from 2,241 in 2013 to 6,819 in 2023—i.e., a multiplication by 3.04. This growth reflects governmental willingness to expand this network, encourage population participation in insurance activities, and ensure broader geographical coverage of insurance providers.

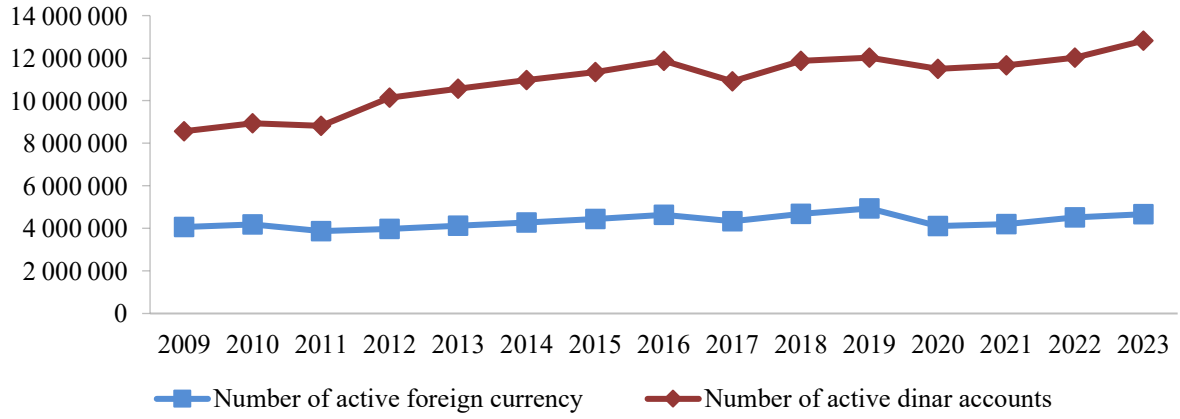
3.2 Usage Indicators

A range of indicators can be used to assess the effective usage of financial services, including: the number of active accounts (in dinars and foreign currency), the number of borrowers and depositors with commercial banks, and the financial literacy index.

3.2.1 Number of active accounts (in dinars and foreign currency)

Account ownership is commonly considered a reliable indicator for evaluating the degree of population inclusion within the formal financial sector. By expanding their networks, banks also deploy facilitation measures designed to attract the population. Within this policy orientation, the Bank of Algeria has promoted a banking strategy aimed at integrating the population into basic services, notably through account opening. Figure 7 illustrates the evolution of this indicator over 2009–2023.

Fig.7. Evolution of the number of active accounts in Algeria (dinar and foreign currency) 2009–2023



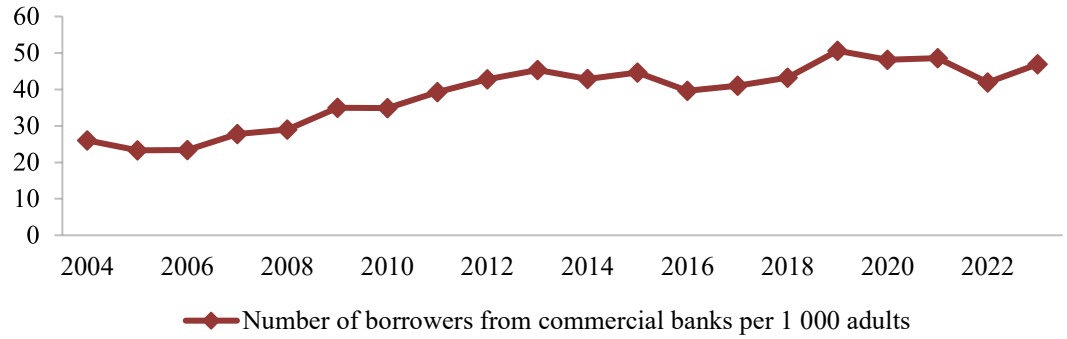
Source: Authors' elaboration based on Bank of Algeria data, available at: https://www.bank-of-algeria.dz/nombre-comptes-actifs/

Figure 7 indicates that foreign-currency account holdings evolved in a pattern similar to dinar accounts. Foreign-currency accounts increased from 4,070,006 in 2009 to 4,673,292 in 2023, representing a rise of 14.82%. Over the same period, active dinar accounts grew from 8,566,479 to 12,818,657, corresponding to an increase of 49.64%. Opening a bank account offers several advantages, including access to a variety of financial services and reduced incentives for holding cash outside the banking system, thereby encouraging integration into formal banking circuits.

3.2.2 Borrowing from commercial banks

The number of borrowers from commercial banks helps capture the rate of access to formal credit and the level of financial integration, thereby informing public policies that support financial inclusion and household consumption and investment. Figure 8 presents the evolution of this indicator over 2004–2023.

Fig.8. Evolution of the number of borrowers from commercial banks per 1,000 adults (2004–2023)



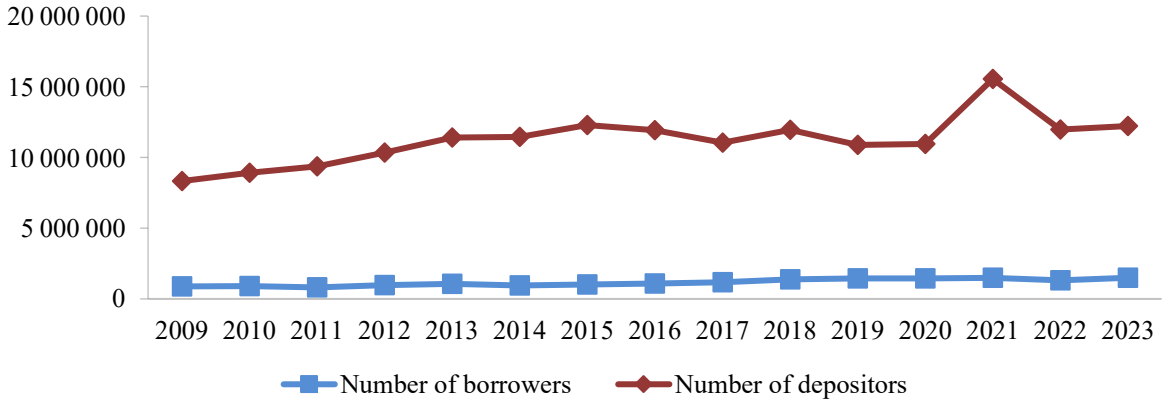
Source: Authors' elaboration based on World Bank data, available at: https://donnees.banquemondiale.org/indicateur/FB.CBK.BRWR.P3?locations=DZ

The number of borrowers per 1,000 adults in Algeria increased moderately, from 26 in 2004 to 46.9 in 2023—an increase of 80.38%. This limited evolution points to relatively weak penetration of bank credit in the formal economy, attributable in particular to individuals' lack of trust in products offered by financial institutions, as well as insufficient financial literacy and limited public awareness of the benefits associated with the use of financial services.

3.2.3Bank deposits and loans

Individuals may hold bank accounts while keeping funds outside banking channels; in such cases, they are "banked" but may remain effectively financially excluded. It is therefore useful to track the evolution of depositors and borrowers. Expanding these services helps broaden the range of banking products provided by financial institutions, reduce poverty, and stimulate economic growth. Figure 9 traces the evolution of the number of depositors and borrowers in Algeria over 2009–2023, based on data from Algerian banks.

Fig.9. Evolution of the number of depositors and borrowers in Algeria (2009–2023)



Source: Authors' elaboration based on Bank of Algeria data, available at: https://www.bank-of-algeria.dz/nombre-deposants/ and https://www.bank-of-algeria.dz/nombre-emprunteurs/

Figure 9 shows that the number of depositors clearly exceeds the number of borrowers. In 2023, there were 12,226,512 depositors compared with only 1,486,540 borrowers. This configuration suggests an excess of liquidity that is not being transformed into credit, accumulating within financial institutions. The limited recourse to bank credit is primarily explained by the low penetration of financial products, linked to population reluctance and/or a

preference for self-financing. A central challenge for financial institutions is therefore to transform savings into a driver of development while encouraging credit uptake and consolidating an adequate regulatory framework.

3.2.4 Financial literacy

Financial literacy is closely associated with the optimal and effective use of financial services accessible to the population. This indicator helps assess the degree of familiarity with financial products and, consequently, the likelihood of regular and sustained usage(Allali & Teniou, 2022). Table 1 reports Algeria's ranking according to a report published by the Union of Arab Banks.

Table 1. Ranking of Arab countries according to the financial literacy index (2017)

Rank	Country	Financial Literacy Index (2017)
1	Tunisia	0.45
2	Lebanon	0.44
3	Kuwait	0.44
4	Bahrain	0.40
5	United Arab Emirates	0.38
6	Algeria	0.33
7	Mauritania	0.33
8	Saudi Arabia	0.31
9	Egypt	0.27
10	Iraq	0.27
11	Palestine	0.25
12	Jordan	0.24
13	Sudan	0.21
14	Somalia	0.15
15	Yemen	0.13

Source:(Bendjelloul & Merniz, 2024)

According to the financial inclusion index, Algeria ranks sixth, with a financial literacy index of 0.33, reflecting an intermediate situation. This score indicates that Algeria has achieved a certain level of financial culture, yet still needs to intensify efforts to strengthen awareness and access to financial education. Tunisia ranks first with an index of 0.45, indicating a higher level of financial literacy. Tunisia's leading position is attributed to the adoption of a national financial inclusion strategy in 2016 and the updating of banking regulations(World Bank , 2022). Conversely, countries such as Somalia (0.15) and Yemen (0.13) display the lowest indices, reflecting major difficulties linked to instability and limited access to financial services.

4. Constraints and Policy Levers for Financial Inclusion in Algeria

To promote financial inclusion and simultaneously enhance its three core dimensions—access, usage, and quality of financial services—financial authorities and providers should pursue reforms and facilitative measures that render financial products accessible to the whole population, particularly the most vulnerable groups. In this regard, Algeria must deploy substantial efforts to overcome existing obstacles.(Ykhlef, 2025)

4.1 Constraints on Financial Inclusion

Financial inclusion is hindered by factors that are closely associated with low financial literacy, product complexity, institutional distrust toward financial intermediaries, and related impediments. (Sam, 2017)

4.1.1 Low financial literacy

According to (Takarli, 2023), insufficient financial literacy constitutes a major obstacle that curtails the development of inclusive finance, primarily due to limited knowledge of available financial products and services.

4.1.2 Complexity of financial products

The complexity of financial products has been emphasized in several studies, including (Ben oudina & Morsli, 2024). It operates as a binding constraint on financial inclusion insofar as the expansion of new services—such as electronic payment systems and card-based services (monetics)—has introduced additional barriers, particularly for users who are not sufficiently familiar with basic financial products.

4.1.3 Institutional distrust toward financial authorities and providers

Negative perceptions of the formal financial system—often rooted in adverse past experiences and financial fraud—are also identified as salient deterrents to financial inclusion (Harkat & Derdour, 2020). Such distrust may lead individuals to avoid formal channels and to rely instead on informal or alternative arrangements.

4.1.4 Limited diversity and weak adaptability of financial products

(Meziane, 2024)highlights that insufficient product diversity and weak alignment between financial offerings and population needs must be taken seriously. The Algerian banking system—largely dominated by public banks—remains concentrated around conventional products and offers household credit mainly oriented toward consumption or housing, often under restrictive conditions. This is compounded by the low penetration rate of the insurance market, which remains comparatively underdeveloped.

4.1.5 Limited transparency in the banking system

An additional constraint concerns transparency deficits within the banking system. For example, the Bank of Algeria notes that opening a foreign-currency account for individuals requires the simultaneous opening of a dinar-denominated account, among other requirements. Such conditions—perceived as insufficiently justified and compounded by the lack of clear, publicly available information—reduce the attractiveness of formal financial participation. (Sam, 2017)

4.1.6 Regulatory rigidity

Regulatory rigidity in Algeria constrains the expansion of financial services, hinders innovation, and ultimately restricts access. To stimulate financial inclusion, it becomes necessary to adopt a more flexible and open legal framework capable of fostering innovation and diversifying financial service provision.(Hafdallah & Rehalia , 2025)

4.2 Policy Levers for Strengthening Financial Inclusion in Algeria

Strengthening financial inclusion in Algeria requires the adoption of a coherent strategy oriented toward clearly defined objectives. This entails mobilizing more adequate technological, educational, and institutional reforms aimed at removing access barriers and fostering trust in the formal financial system.

Based on the studies by (Godih, Kameli, & Lazreg, 2023)and (Beleulmi, 2024), the state is called upon to implement incentive-based measures to reinforce financial inclusion—both to cultivate an enabling environment for economic development and to enhance the attractiveness of formal finance for populations that remain reluctant to engage with it. To this end, it is necessary to:

4.2.1 Adopt and operationalize a national financial inclusion strategy

According to World Bank Group research, establishing a national strategy is essential for amplifying the developmental impacts of financial inclusion. Such a strategy involves setting measurable and achievable targets, grounded in a careful assessment of both the supply and demand sides of financial products within the population.

4.2.2 Modernize payment systems

The dematerialization (digitization) of payments enhances traceability and expands access to financial services, notably through the strengthening of telecommunications infrastructure and the encouragement of regulatory support for innovation.

4.2.3 Promote competition

Revitalizing competition among service providers—by ensuring an equal legal and regulatory playing field—can diversify access points to financial services and reduce concentration-related constraints.

4.2.4 Strengthen consumer protection in financial services

Protecting clients can be ensured through the provision of reliable and accurate information regarding financial transactions, alongside robust safeguards for the security and confidentiality of users' financial data.

4.2.5 Enhance financial literacy

Raising individuals' awareness of the benefits of financial inclusion is essential to restoring trust in the formal financial system and increasing the population's level of financial knowledge, thereby supporting more sustained and effective usage of financial services.

5. CONCLUSION

In Algeria, despite a set of governmental initiatives aimed at promoting financial inclusion—most notably the digitalization of financial services and the encouragement of bank-based payments—the overall level of financial inclusion remains low when benchmarked against regional standards. A range of binding constraints continues to impede this trajectory, including inadequate banking infrastructure in rural and remote areas, persistent institutional distrust toward the financial system, limited diversity and weak adaptability of financial products, and a pronounced deficit in financial literacy.

Overcoming these constraints requires the articulation and implementation of a coherent, inclusive national strategy. In this regard, the state is called upon to establish an enabling environment capable of increasing the penetration rate of diverse financial products and services, while simultaneously strengthening financial literacy by communicating to underserved communities the tangible benefits associated with integration into formal financial channels. It is equally crucial to rebuild trust among reluctant populations by credibly demonstrating the robustness of the security, consumer protection, and regulatory safeguards put in place by public authorities and financial institutions.

The state should also pursue targeted reforms and facilitation measures to make financial products accessible to the entire population—particularly the most vulnerable—thereby mitigating the structural impediments identified in this study. Only through such sustained and coordinated efforts can financial inclusion fully contribute to Algeria's economic development and enable the formal financial integration of all social groups into the country's financial system.

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