

The Impact of Economic Governance on Macroeconomic Indicators in Algeria: An Analytical Study (2015-2024)

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Abstract

This study aims to analyze the relationship between economic governance and macroeconomic indicators in Algeria over the period (2015–2024). Using a descriptive-analytical approach, the study examines data on GDP, inflation, unemployment, and foreign direct investment. The findings reveal that weak governance indicators have negatively impacted the country's economic performance, while institutional reforms, transparency enhancement, and digitalization of public services play a crucial role in improving economic outcomes and restoring investor confidence.

Keywords:

Governance;
Economic growth;
Inflation;
Real GDP.

JEL Classification Codes: G38 ,H11,O23

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1. INTRODUCTION

Like many developing countries, Algeria has undergone profound economic and structural transformations in recent decades in its quest for sustainable and inclusive economic development. However, these efforts have faced numerous challenges, notably institutional inefficiency, widespread administrative corruption, and weak transparency and accountability in the management of public resources. In this context, the concept of governance has emerged as a key foundation for achieving sustainable economic development, given its critical role in enhancing institutional performance, ensuring the efficient allocation of resources, and improving the overall business and investment environment.

Good governance is a key driver of economic growth, as it is closely linked to the quality of public policy-making and the stability of legal and institutional frameworks. It also helps bridge the gap between the state and society by promoting transparency and accountability, which has a positive impact on overall macroeconomic performance. Although Algeria recognizes the importance of this principle and has adopted numerous legislative and institutional reforms, the tangible impact of these efforts on economic development indicators remains uncertain.

In light of the aforementioned, the main question is:

What is the extent of the impact of governance, in its various dimensions, on macroeconomic indicators in Algeria during the period 2015–2024?

This main research question gives rise to several sub-questions:

- What is the nature of the relationship between governance indicators and the economic growth rate in Algeria?
- To what extent do government effectiveness and control of corruption contribute to improving the investment climate and attracting capital inflows?
- How do the quality of regulatory frameworks and the rule of law affect unemployment and inflation indicators?
- What governance reforms are necessary to promote sustainable economic development?

-The importance of the study

The importance of this study lies in providing a realistic, data-driven analysis of governance performance in Algeria during the period 2015-2024. This analysis can help policymakers:

- Assess the effectiveness of administrative and institutional reforms.
- Strengthen oversight and accountability mechanisms.
- Design more transparent and sustainable economic policies.
- Support comprehensive development strategies through effective governance and strong institutions.

-The Objective of the Study

This paper aims to shed light on one of the key administrative approaches adopted at the governmental level—governance—

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and to trace its impact on Algeria's macroeconomic indicators. It seeks to examine how governance affects the investment climate in Algeria through governance indicators and how these, in turn, are reflected in economic development indicators. The study relies on the World Bank's Governance Indicators, as they are among the most widely used and cover data for over 180 countries.

Methodology of the study

This study seeks to examine the impact of governance on macroeconomic indicators in Algeria during the period 2015-2024. using a descriptive analytical approach. This analysis is based on governance indicators issued by the World Bank (WGI) alongside key macroeconomic performance measures to explore the relationship between governance quality and the level of economic development, and to assess the role of institutional reforms in enhancing the country's overall economic performance.

Although this study is qualitative, it can provide an analytical perspective and examine the opportunities offered by economic governance to improve macroeconomic indicators in Algeria.

2. Definition of Economic Governance

The concept of governance has gained increasing global attention in recent years. This concept generally refers to the practice of effective and responsible management within organizations. The emergence of this concept is due to gaps and weaknesses in the laws and regulations that oversee business operations, which in the past led to financial difficulties and the bankruptcy of many large companies:

2.1 What is Governance

The concept of governance has been defined in different ways depending on the perspectives of researchers and international institutions, reflecting its broad scope of application in both the public and private sectors. Below are some of the most common definitions:

The World Bank has defined governance as “the way in which power is exercised in the management of a country’s economic and social resources for development, with a focus on the effectiveness of institutions, policies, and mechanisms that promote participation and accountability.” (World Bank 1992, pp1-3)

It can also be defined as “Governance refers to the overall framework through which organizations are directed and controlled, ensuring a fair balance between the interests of stakeholders—such as shareholders, management, and society—while promoting accountability, transparency, and ethical decision-making.” (Monks.R.and others, 2011, pp1-5)

According to the World Governance Commission (1995), governance can be viewed as a continuous and dynamic process that integrates diverse institutions and actors—from both the public and private sectors—to manage shared interests. It focuses on coordination rather than control, combining formal systems of

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authority with informal networks and practices that promote cooperation and balance between different societal interests. Governance is therefore less about rigid rules and more about continuous interaction and mutual adaptation among stakeholders. (Amir Mohammad Nasrullah 2024, PP2-3)

Of all the definitions, The concept of governance has been defined in different ways depending on different theoretical and institutional perspectives. However, it can be broadly described as the approach adopted by the modern state to manage public affairs in a participatory manner involving multiple stakeholders—including government institutions, civil society, the private sector, and local authorities—with the aim of generating wealth and achieving sustainable economic development. Governance is based primarily on a set of regulatory principles that govern relations between stakeholders, notably transparency, accountability, fairness, participation, and decentralization in both financial and administrative management.

2.2 Economic Importance of Governance

The importance of governance can be summarized in the following points : (Mohamed Tammer and others, 2024, PP5-6)

- Good governance strengthens institutional controls and procedures to reduce the risk of financial irregularities and corruption in public administration ;
- Improving the efficiency and effectiveness of institutions contributes to accelerating economic growth and promoting comprehensive development within the state;
- Creating favorable conditions that encourage foreign investors and local financial resources to participate in and support national economic and development initiatives;
- Strengthening national capacities to improve competitiveness on

the global stage and expand opportunities to enter and operate in new international markets;

- Promoting transparency, accuracy, and clarity in institutional processes, thereby enhancing public confidence in governance;

- Creating conditions that promote job availability and generate new employment opportunities for a broader segment of the population;

- Implementing measures to combat corruption within institutions, ensuring that it does not take root, and actively working to eliminate any existing corrupt practices;

- Promoting a culture of integrity, impartiality, and ethical behavior among all employees of institutions to enhance accountability and public confidence;

- Implementing measures to avoid intentional errors in institutional operations, regardless of the status of approval, identifying and correcting any deviations immediately, and preventing their recurrence or continuation;

- Minimizing the likelihood of errors by establishing and using effective control mechanisms that proactively prevent errors in institutional operations.

2.3. Economic Objectives of Governance

The main objectives of governance can be summarized as follows:

-Enhancing Economic Efficiency

Good governance promotes the efficient allocation of resources by ensuring that economic decisions are made transparently and based on performance rather than personal or political interests (Organisation for Economic Co-operation and Development). (OECD 2022, PP33-35)

-Promoting Fiscal Stability

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Effective governance contributes significantly to financial stability by promoting discipline in public finance management. Through transparent budgeting, effective debt management, and rational allocation of public expenditure, governments can avoid fiscal imbalances and enhance macroeconomic flexibility. Sound governance ensures that fiscal policies are sustainable and consistent with long-term economic objectives, thereby enhancing economic credibility and investor confidence. (International Monetary Fund 2024, PP12-15)

-Reducing Corruption and Waste

Strong governance systems help reduce corruption and inefficient use of public resources by promoting integrity, transparency, and accountability within government institutions. When effective oversight mechanisms are in place, public funds are managed more efficiently and administrative procedures become more transparent. This, in turn, reduces wasteful spending, boosts public confidence, and contributes to increased productivity and sustainable economic growth. (UNDP 2021, PP27-29)

-Supporting Inclusive and Sustainable Development

Good governance plays a vital role in achieving comprehensive and sustainable development by ensuring that all social groups have access to fair opportunities and resources. Through transparent institutions, the rule of law, and the protection of property rights, governance promotes social justice and long-term economic resilience. These factors enable balanced growth that benefits current and future generations, thereby promoting economic and social stability. (WEF 2023, PP15-18)

-Improving Policy Effectiveness

Strong governance frameworks enhance policymakers' ability to design and implement coherent, evidence-based economic strategies. By improving institutional coordination and ensuring accountability in decision-making, governance enhances responses to key economic challenges such as inflation, unemployment, and debt management. Furthermore, effective policymaking under transparent and predictable governance contributes to macroeconomic stability and promotes sustainable economic growth. (World Bank 2023, PP52-55)

2.3. Economic governance and macroeconomic indicators

Governance and macroeconomic performance are closely linked, with strong governance contributing to fiscal discipline, lower budget deficits, and sustainable public debt management. Transparent and accountable public institutions enhance investor confidence, encouraging capital inflows and stimulating economic growth. Empirical evidence suggests that countries with higher standards of governance generally experience lower inflation, greater currency stability, and more efficient allocation of public resources. (World Economic Forum 2024, P13) Conversely, weak governance and widespread corruption are often associated with macroeconomic instability, capital flight, and low productivity.

Studies indicate that countries with strong governance structures—such as central bank independence and a sustainable debt-to-GDP ratio, which are used to assess trade, monetary, and fiscal policies—tend to achieve higher economic growth rates. Factors associated with promoting economic growth include higher levels of education, improved health indicators, lower fertility rates, reduced government spending relative to GDP, strict adherence to the rule of law, improved terms of trade, and lower inflation. Accordingly, governance is considered a

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fundamental element in ensuring macroeconomic stability, maintaining fiscal sustainability, and supporting long-term sustainable economic growth. (Amir Mohammad Nasrullah 2024, P8)

**3.Analyzing the Relationship Between Economic Governance
and Macroeconomic Indicators in Algeria (2015–2024)**

3.1 Governance indicators in Algeria(2015-2024)

The business environment in Algeria embodies a multifaceted relationship between institutional performance and governance quality. Over the past decade, Algeria has launched numerous reforms aimed at enhancing transparency, improving public administration efficiency, and modernizing regulatory frameworks to attract domestic and foreign investment.

However, global governance indicators highlight the persistence of significant structural challenges in Algeria, particularly a lack of transparency and the limited effectiveness of accountability frameworks. These institutional shortcomings continue to undermine the efficiency of economic policymaking and weaken the government’s ability to promote a more transparent, predictable, and investment-friendly business environment.

The following table presents the evolution of governance indicators in Algeria over the period (2015–2024) :

Table 1 . Evolution of Governance Indicators (2015–2024)

Year	Voice & Accountability	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
2015	-0.85	-1.1	-0.41	-1.26	-0.94	-0.64
2016	-0.86	-1.1	-0.46	-1.24	-0.92	-0.67
2017	-0.9	-0.9	-0.54	-1.28	-0.93	-0.6
2018	-1.0	-0.8	-0.49	-1.35	-0.81	-0.66
2019	-1.05	-1.1	-0.57	-1.39	-0.86	-0.66
2020	-1.09	-0.8	-0.57	-1.36	-0.8	-0.67
2021	-1.01	-1.0	-0.65	-1.18	-0.83	-0.64
2022	-1.01	-0.7	-0.51	-1.06	-0.83	-0.64
2023	-0.98	-0.6	-0.67	-0.95	-0.68	-0.59

Source: Author's compilation based on data from the Worldwide

Governance Indicators

<https://www.govindicators.org;2024>

The table allows us to draw a number of conclusions regarding governance performance in Algeria between 2015 and 2023. The figures indicate that Algeria has seen a slight improvement in some aspects of governance, but this improvement has not reached the desired levels and is not in line with the objectives set and the efforts made. Most indicators remain below the global average of 50%.

-Voice and Accountability: This index measures the extent to which democracy, freedom of expression, freedom of association, and freedom of the press are established. Accountability refers to the extent to which officials are subject to oversight by oversight institutions to safeguard public funds.

This indicator has fluctuated over the years, ranging between -0.85 and -0.98 during the period 2015-2023, meaning that it has not reached a satisfactory level. This indicates a lack of effective accountability mechanisms, as well as the fact that some accountability procedures take longer to complete.

-Political stability: Measures the likelihood of government instability, illegal coups, or the use of violence.

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This indicator rose from -1.1 in 2015 to -0.8 in 2020, before gradually rising again to reach 0.6 in 2023, the highest level in this period, yet still below the desired level.

- Algeria was ranked 109th globally and 9th in the Arab world with 2.146 points in the Global Peace Index report for the safest countries in the world for 2022, showing improvement in this index and ranking 96th globally with 2.094 points out of 163 countries.

-The government effectiveness : declined from (-0.41) in 2014 to -0.67 in 2023, indicating a slowdown in the development of public service quality and government policy effectiveness. The corruption control index remained relatively stable, falling from 0.61 (-31.25%) in 2014 to 0.59 (-30.19%) in 2023, also reflecting slow progress in the fight against corruption .

-The political stability :is among the indicators that have seen a marked improvement, rising from 1.19 (-9.52%) in 2014 to 0.58 (-23.22%) in 2023, indicating a relative improvement in the climate of political stability and the absence of violence.

-Rule of Law: The evolution of the **Rule of Law** in Algeria between 2018 and 2022 highlights the link between institutional quality and socio-economic outcomes. The decline in 2018–2019 reflected weak contract enforcement and reduced investor confidence, constraining private sector growth. The partial recovery by 2022 (33.83) indicates improved institutional credibility, yet its context — the COVID-19 pandemic and temporary restrictions on civil liberties — shows persistent structural challenges. Sustainable progress will require consistent law enforcement, judicial reform, and stronger state–society dialogue to foster trust and create a more predictable environment for investment and governance.

In, the index reached **(26.42%)**, indicating progress in law enforcement and growing citizens' confidence in the judicial system. This reflects a gradual move toward stronger governance and a more stable legal environment supportive of investment and private sector growth.

-Control of Corruption: The index, which assesses the extent to which public authority is exercised to curb personal gains and elite capture of governance, has remained weak in Algeria, not exceeding 30 points over the past five years. A slight improvement was recorded in 2021 (29.52), but the score declined again in 2022. This persistent weakness reflects the continuing challenges of corruption, manifested in bribery, embezzlement, and undue privileges in public procurement. Such practices have posed serious threats to national security, with evidence indicating that corruption in the new millennium has had a more detrimental impact on the country than terrorism during the “Black Decade.”

The table indicates that the results remained negative throughout the period 2015–2023 (ranging between -0.67 and -0.59). Despite a slight improvement in 2023, corruption continues to represent one of the main challenges to good governance in Algeria.

According to the *Corruption Perceptions Index (CPI)* issued by **Transparency International**, Algeria has experienced a noticeable decline in its governance and anti-corruption performance over recent years. In **2021**, the country ranked **117th out of 180 nations**, dropping **13 positions** compared to **2020**, when it scored **36 out of 100 points** and was ranked **104th**. Similarly, Algeria held the **106th position in 2019**.

Although a slight improvement was observed in **2023**, with the country advancing to **104th**, it again slipped to **107th position in 2024**, achieving only **34 points out of 100**. This performance reflects the persistence of structural weaknesses in combating corruption and indicates that Algeria’s score remains **below the global average**.

The weakest performance was in the indicators of participation and accountability and quality of legislation, with the participation and accountability indicator registering 0.98 (-22.06%). while the quality of legislation scored -0.95 (16.04%) in 2023, indicating continued limited citizen engagement in the political process and decision-making, and weak legislative and regulatory frameworks.

Organizational quality in Algeria remains weak despite efforts to revitalize the private sector, broaden participation in parliamentary

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elections, and develop the institutional framework with a view to enhancing institutional efficiency. However, the process of issuing legal texts governing the investment field and the numerous amendments unfavorable to investors have made the legal framework for investment unresponsive to the principle of legislative stability and have thwarted all efforts to establish a successful regulatory framework for investment.

3.2.The Impact of Governance on Macroeconomic Indicators in Algeria (2015–2024): An Analytical Review

The role of governance in achieving economic development goals has increased significantly in recent years. Empirical studies have shown a strong correlation between improved governance indicators and improved macroeconomic performance in various countries. In the case of Algeria, persistent weaknesses in various dimensions of governance have negatively affected the business environment and the performance of the domestic and foreign private sectors. This institutional fragility has limited the effectiveness of economic policies, hindering progress on key development indicators. The following section presents Algeria's key macroeconomic indicators for the period (2015-2024):

a. Algeria’s GDP (2015-2024)

Algeria's GDP performance between 2015 and 2024 shows a volatile trajectory influenced by oil market fluctuations, global economic shifts, and gradual changes in governance and institutional quality. The interaction between economic performance and governance effectiveness reveals that strong institutions are a critical factor in achieving sustainable and inclusive growth.

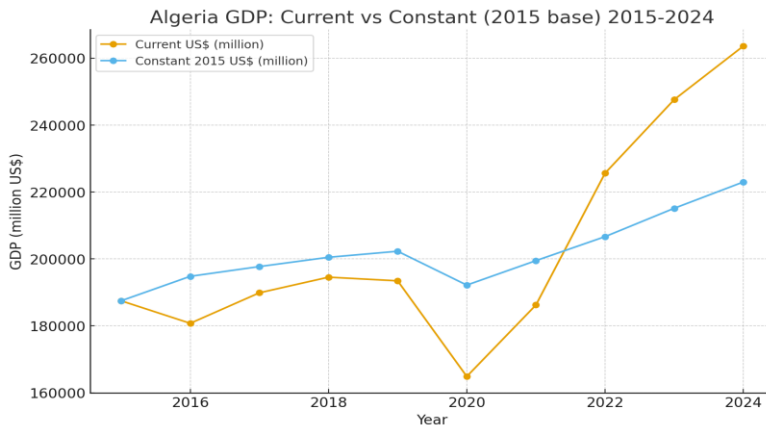
The following table presents Algeria's GDP values (in million US\$) for the period(2015–2024) :

Table02. Evolution of (GDP) in Algeria (2015–2024)

Year	GDP (current US\$) million	GDP (constant 2015 US\$) million	Economic Growth
2015	187,494	187,494	3.7
2016	180,764	194,806	3.2
2017	189,881	197,728	1.6
2018	194,554	200,496	1.2
2019	193,460	202,301	0.8
2020	164,873	192,186	-5.1
2021	186,231	199,489	3.5
2022	225,638	206,670	4.1
2023	247,626	215,144	3.1
2024	263,620	223,000	3.2

Source: Author's compilation based on data from World bank,2025
<https://wdi.worldbank.org/table/4.2>

Fig. 1. Evolution of (GDP) in Algeria (2015–2024)



Source: Author's compilation based on data from table 02

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The table above shows Nominal GDP rose from 187.5 billion US\$ in 2015 to 263.6 billion US\$ in 2024, a growth of nearly 40%. However, real GDP (constant 2015 prices) increased more slowly from 187.5 billion US\$ to 223 billion US\$, indicating limited improvements in productive capacity. This disparity suggests that much of the apparent growth was price-driven, mainly due to higher energy prices, rather than genuine structural transformation or diversification.

Between 2015 and 2024, Algeria's economic growth exhibited a volatile yet gradually recovering trajectory. Following a contraction of -5.1% in 2020 due to the COVID-19 pandemic and falling oil prices, growth rebounded to 4.1% in 2022, supported by higher energy prices and renewed export activity.

The moderate rebound in GDP since 2021—from 186 billion US\$ to 263 billion US\$ coincided with institutional reforms in fiscal governance, administrative digitization, and anti-corruption initiatives. Although limited in scope, these reforms contributed to:

- Greater policy transparency;
- Enhanced investor confidence;
- Improved efficiency in public resource management.

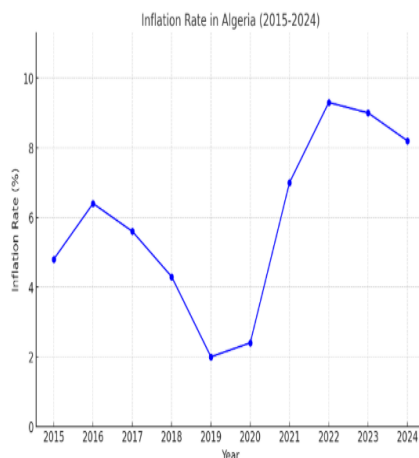
b. Inflation Rate in Algeria (2015-2025) and Governance Analysis

Analyzing inflation trends in Algeria is of great importance because it reflects the efficiency of economic and financial governance, as well as the state's ability to ensure macroeconomic stability. Therefore, understanding the specific factors of inflation is crucial for designing effective policies to control prices, promote sustainable growth, and improve citizens' living standards.

The following table presents Algeria's **Inflation Rate** (2015–2024) :

Table 3. Inflation Rate in Algeria (2015–2024)

Year	Inflation Rate (%)
2015	4.8
2016	6.4
2017	5.6
2018	4.3
2019	2.0
2020	2.4
2021	7.0
2022	9.3
2023	9.0
2024	8.2



Source: Author's compilation based on data from

<https://data.albankaldawli.org/indicator/NY.GDP.DEFL.KD.ZG?locations=DZ>

The table above during the period (2015–2024), Algeria's inflation rate exhibited significant fluctuations, with a distinct upward trend after 2020. Inflation reached its peak in 2022 at 9.3%, reflecting supply chain disruptions, increased dependence on imports, and global inflationary pressures resulting from the aftermath of the COVID-19 pandemic.

Between 2021 and 2023, Algeria experienced a notable rise in the inflation rate, mainly attributed to imported inflation and the increasing prices of fresh food products. Despite this upward trajectory, some macroeconomic indicators showed slight improvement during the same period, supported by the global economic recovery, the surge in oil prices in 2022, and the expansion of Algeria's gas exports to Europe amid the Russia–Ukraine conflict.

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These variations in inflation rates underscore the interdependence between domestic and external economic factors, highlighting the fragility of the Algerian economy in the face of external shocks. Furthermore, these disparities are closely linked to governance dimensions, particularly fiscal transparency, regulatory quality, and institutional effectiveness. Weak coordination between monetary and fiscal policies, coupled with inefficient public spending, has constrained the state's ability to maintain price stability.

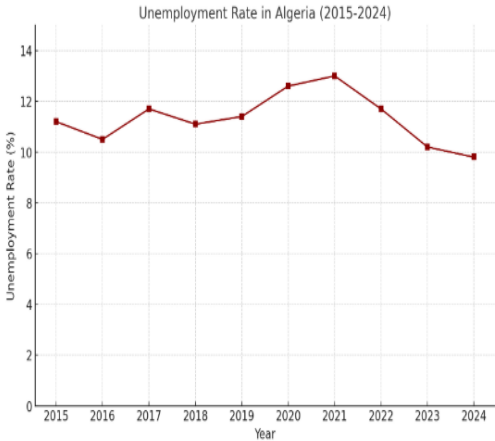
c.Unemployment Rate in Algeria (2015–2024) and Governance Analysis

Analyzing the evolution of unemployment between 2015 and 2024 provides valuable insights into the relationship between economic performance, public policy, and governance quality. This analysis contributes to identifying effective strategic orientations aimed at reducing unemployment and promoting inclusive and sustainable economic integration.

The following table presents Algeria's Unemployment Rate (2015–2024) :

Table 4. Unemployment Rate in Algeria (2015–2024)

Year	Unemployment Rate (%)
2015	11.2
2016	10.5
2017	11.7
2018	11.1
2019	11.4
2020	12.6
2021	13.0
2022	11.7
2023	10.2
2024	9.8



Source: Author's compilation based on data from

<https://data.albankaldawli.org/indicator/SL.UEM.TOTL.ZS?locations=DZ>

The table shows that Algeria's unemployment rate experienced significant fluctuations between 2015 and 2024, declining from 11.2% in 2015 to 9.8% in 2024, with a peak of 13% in 2021. This trend can be explained by a combination of economic and institutional factors closely linked to the level of economic governance in the country.

Between 2020 and 2021: The sharp rise in unemployment to 13% is due to the impact of the COVID-19 pandemic and low oil prices. The crisis has exposed structural weaknesses in institutional coordination and fiscal management, reflecting shortcomings in crisis management capacity and public spending efficiency.

Between 2022 and 2024, the gradual decline in the unemployment rate from 11.7% to 9.8% coincided with an economic recovery supported by higher energy revenues and limited institutional reforms. Efforts to digitize administration, enhance transparency, and combat corruption have led to a slight improvement in labor market conditions. These developments reflect progress in governance indicators such as government effectiveness, anti-corruption, and policy quality.

d.The Impact of Governance on Foreign Direct Investment (FDI) in Algeria (2015–2024)

Foreign direct investment (FDI) inflows to Algeria between 2015 and 2024 exhibited noticeable fluctuations, reflecting the influence of domestic economic factors and the quality of economic governance in the country.

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Table 5. FDI in Algeria (2015–2024)

Year	FDI (Million US\$)	FDI (% of GDP)
2015	1,636	0.7%
2016	1,232	0.9%
2017	1,475	0.6%
2018	1,382	0.8%
2019	1,140	0.7%
2020	870	0.7%
2021	255	0.5%
2022	933	0.5%
2023	1,220	0.49%
2024	1,439	0.7% (est.)

Source: Author’s compilation based on data from data of Unctad 2024

https://unctad.org/system/files/official-document/wir2024_en.pdf

The table above the data indicate that foreign direct investment (FDI) inflows to Algeria declined significantly from 1.6 billion US\$ in 2015 to 870 million US\$ in 2020. This drop coincided with the fall in global oil prices and the impact of the COVID-19 pandemic, which undermined investor confidence in the Algerian market. The decline reached its lowest point in 2021, when FDI fell to 255 million US\$, largely due to increasing administrative restrictions and weak economic governance.

This downward trend clearly reflects the deficiencies in Algeria’s economic governance during that period. Factors such as limited transparency, complex bureaucratic procedures, and unstable economic policies significantly reduced the country’s investment appeal, prompting investors to seek more predictable and transparent environments elsewhere in the region.

Between 2022 and 2024, Algeria witnessed a gradual recovery in foreign direct investment (FDI), which rose from 933 million US\$ to approximately 1.139 billion US\$ in 2024. This upward trend reflects the initial outcomes of gradual reforms aimed at enhancing financial transparency, simplifying administrative procedures, and strengthening institutional effectiveness. The government's efforts to combat corruption, digitize public services, and update investment legislation have also contributed to rebuilding investor confidence, albeit at a measured pace. However, the overall impact remains relatively limited, as foreign direct investment (FDI) accounts for only about 0.5% of the country's GDP.

4. CONCLUSION

Based on the preceding analysis, it can be concluded that governance indicators in Algeria remain below the optimal level, reflecting institutional inefficiency and the persistence of corruption. These weaknesses have contributed to an investment environment that does not adequately meet the needs of either domestic or foreign investors. As a result, the country's economic development remains highly dependent on oil price fluctuations rather than on sustainable governance-driven growth.

- The growth of real GDP was modest, suggesting that much of the increase stemmed from higher prices rather than genuine improvements in productivity. This sluggish performance can be attributed to weaknesses in economic governance — particularly the limited effectiveness of public institutions, the country's excessive dependence on the hydrocarbon sector, and the insufficient diversification of its economy.

- Inflation recorded a notable increase after 2020, influenced by global market disruptions and weak financial oversight and monetary policies. This suggests that effective economic

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governance can play a key role in stabilizing prices by enhancing transparency and strengthening control over public spending.

- The unemployment rate recorded a slight decline during the period (2015–2024); however, the labor market continued to suffer from a limited capacity to absorb the workforce. This situation reflects the shortcomings of employment policies and the lack of institutional coordination, indicating Algeria’s need for sound governance in the labor market—one that links education with the real economy and promotes productive investment.

- FDI has experienced a gradual recovery since 2022 ,driven by institutional reforms and improvements in the business environment. Through the simplification of procedures,the fight against corruption, and the digitization of public services,these measures have played a key role in restoring investor confidence and attracting long-term capital inflows.

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