

THE REGIONAL REPORT ON JOBS AND GROWTH IN NORTH AFRICA

“PRESENTATION OF KEY MACROECONOMIC
INDICATORS, LABOUR MARKET TRENDS AND
THE COVID-19 IMPACT”

Prepared By:

Date:





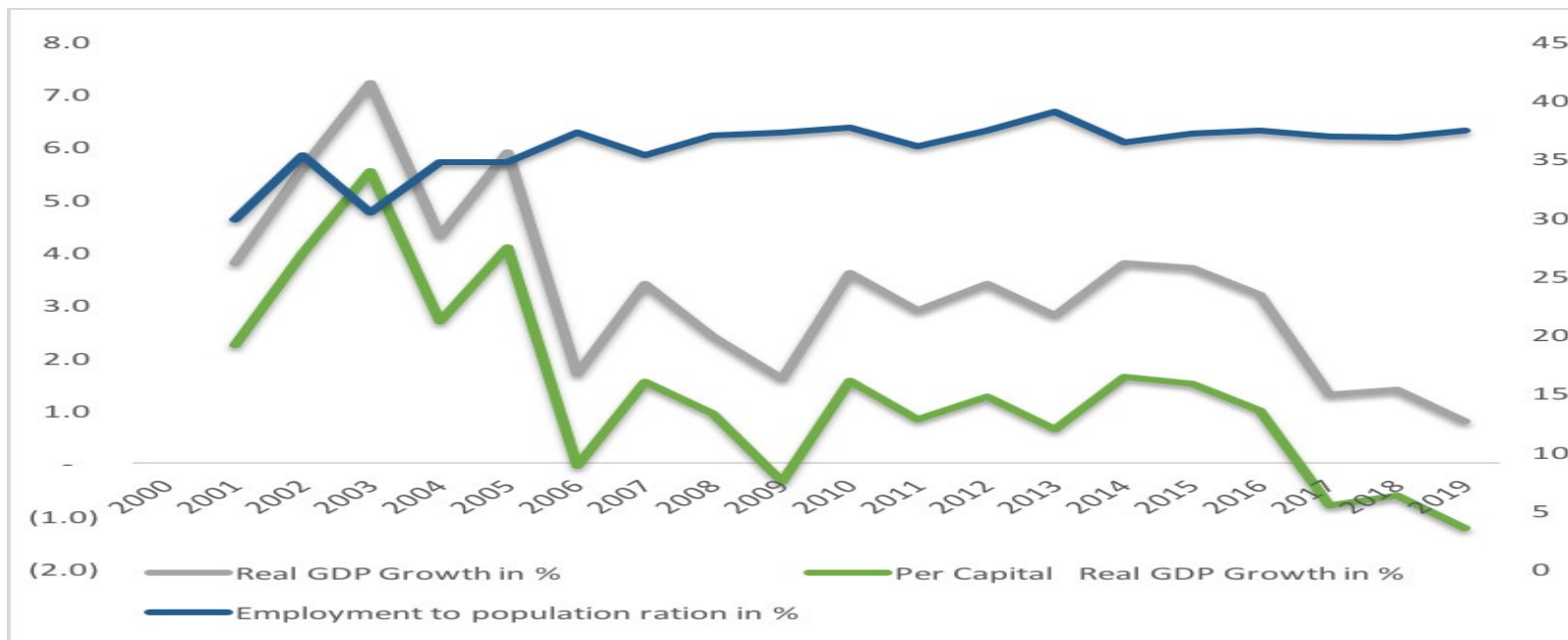
Chapter title: JOBS AND GROWTH IN ALGERIA



The pace and pattern of growth



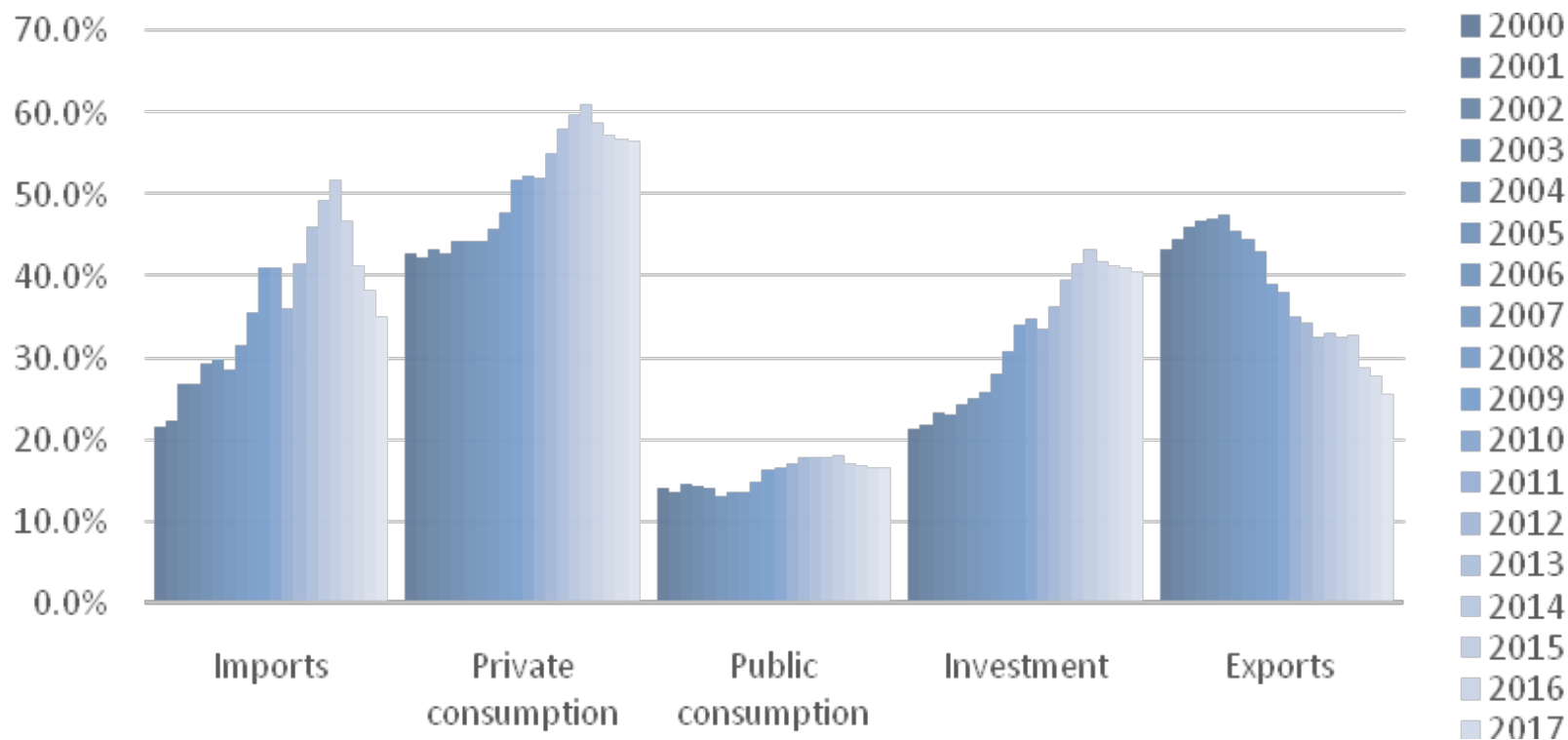
Real GDP growth, GDP per capita growth and employment-to-population ratio in Algeria



Source: Authors, based on *Retrospective des comptes économiques de 1963 a 2018*.



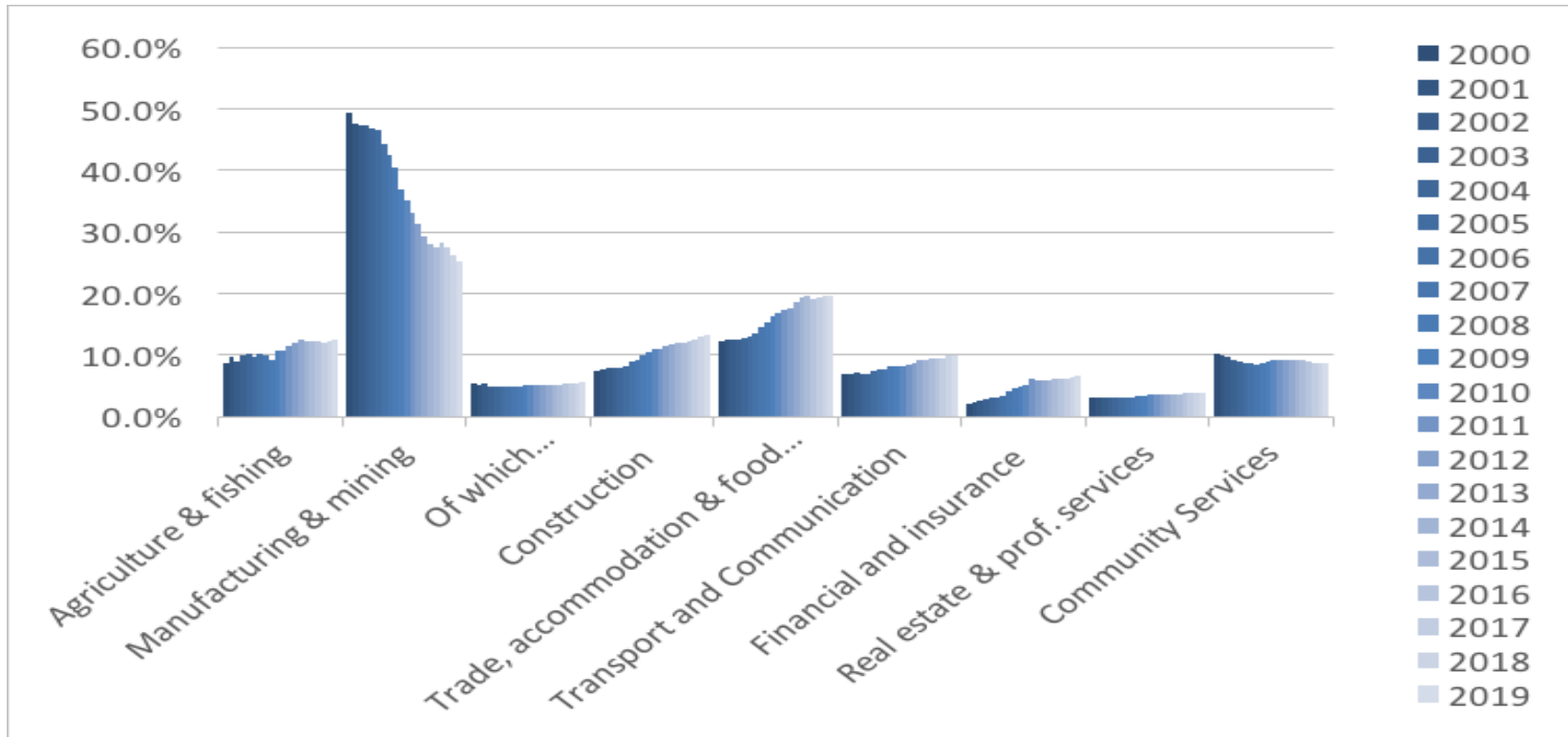
Composition of GDP, %



Source: Authors' calculations, based on on retrospective des comptes économiques de 1963 a 2018.



Percentage composition of value added



Source: Authors' calculations, based on on retrospective des comptes économiques de 1963 a 2018.

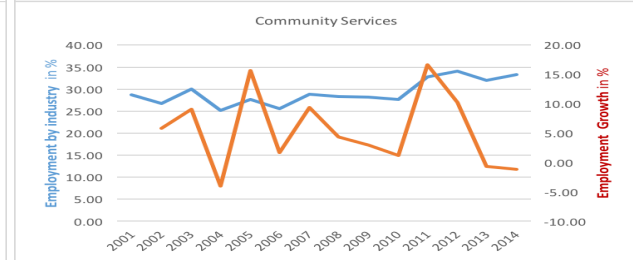
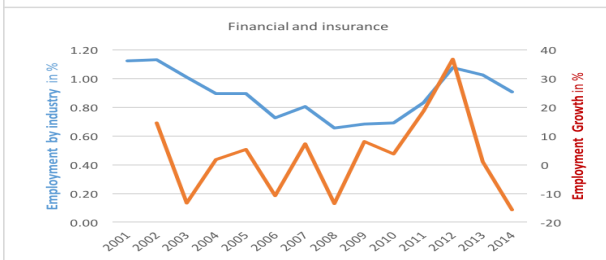
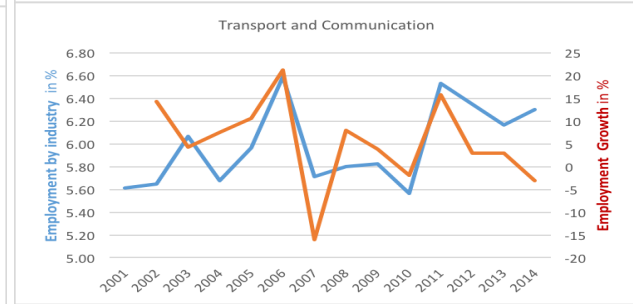
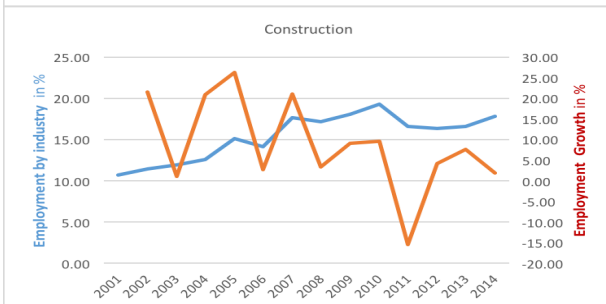
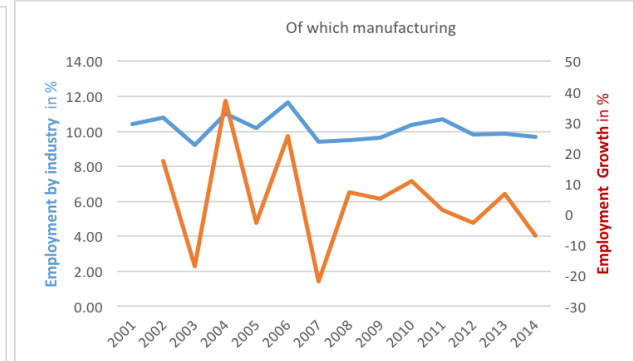
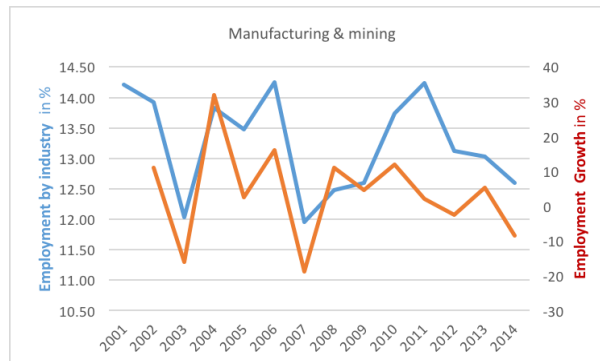
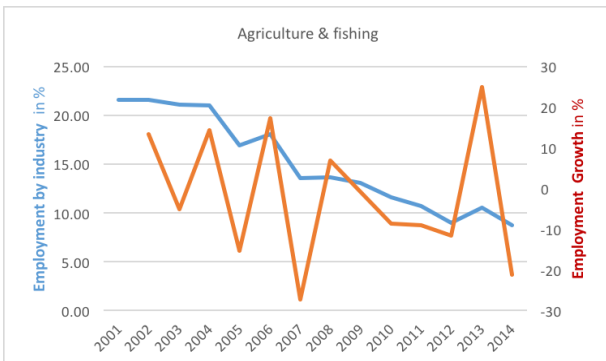


Value added, by broad industry sector



Source: Authors' calculations, based on on retrospective des comptes économiques de 1963 a 2018.

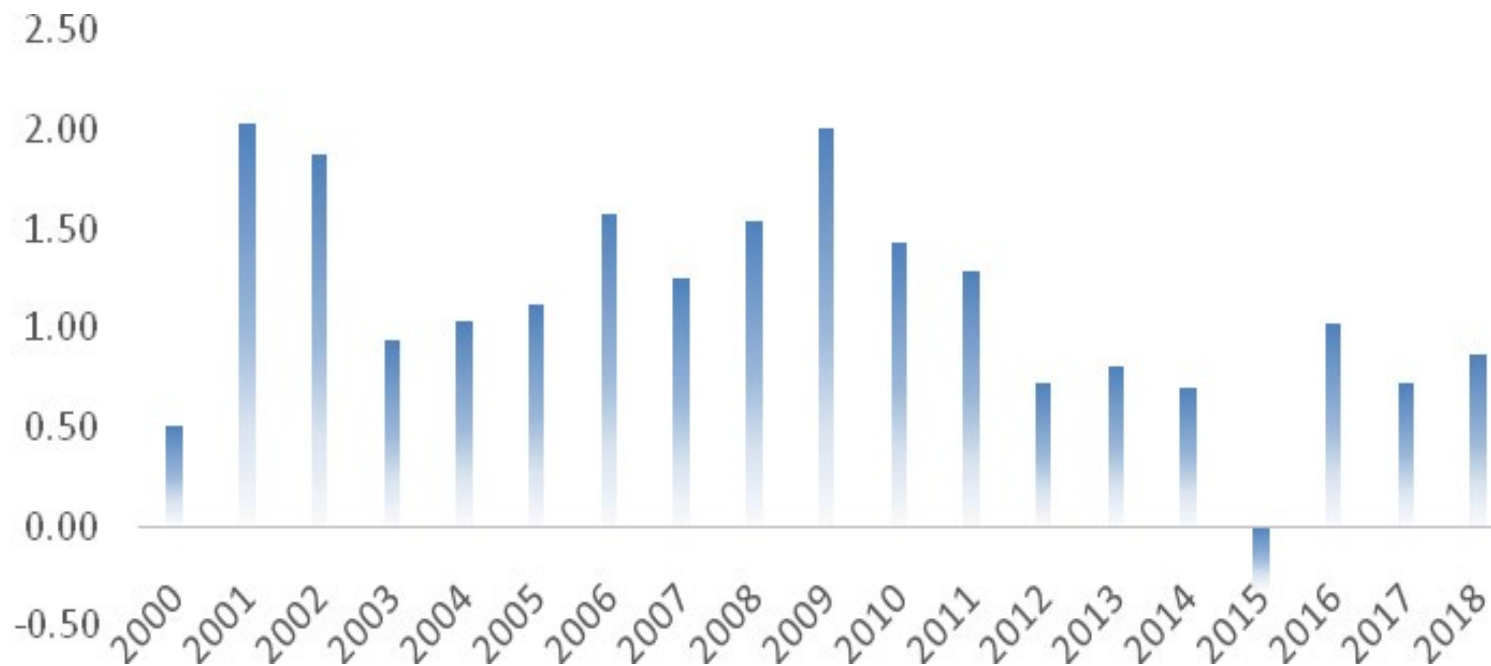
Employment, by industry



Source: Authors, based on ONS. 2001–2014. Labour Force Surveys.



Foreign direct investment, net in-flows (% of GDP)



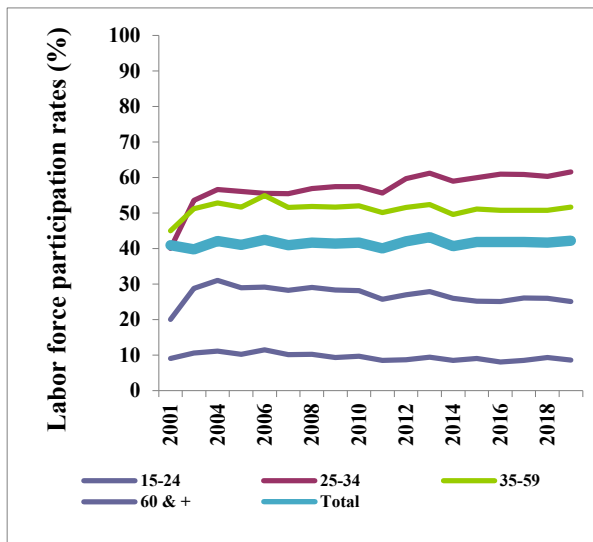
Source: Authors based on World Bank. n.d. World Development Indicators.

Trends in labour market outcomes

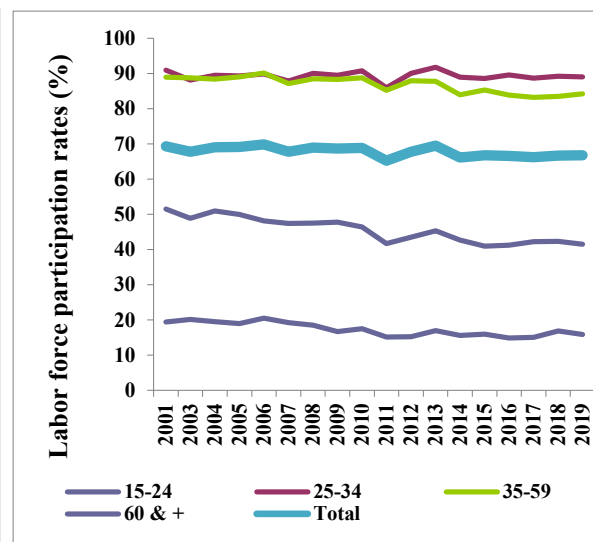


Labour force participation rate, by age and sex

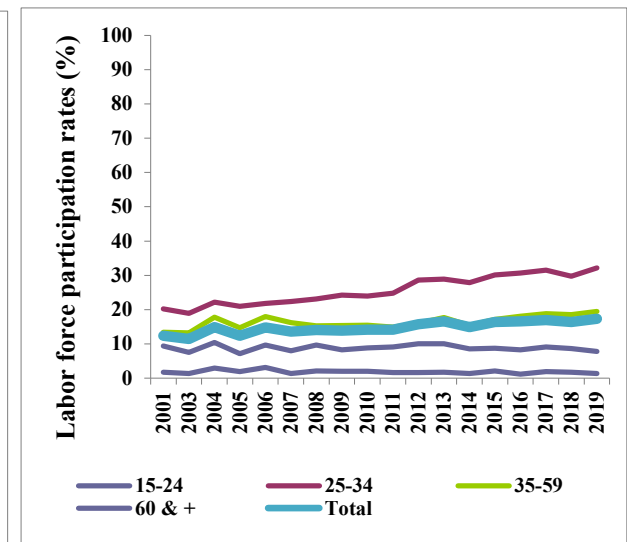
Total



Men



Women

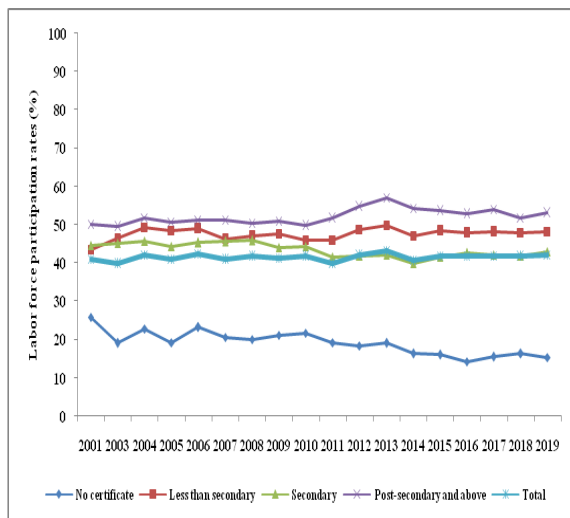


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

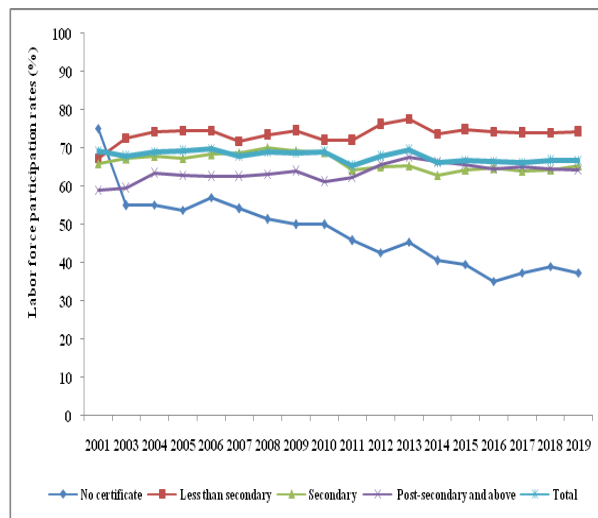


Labour force participation rate, by education

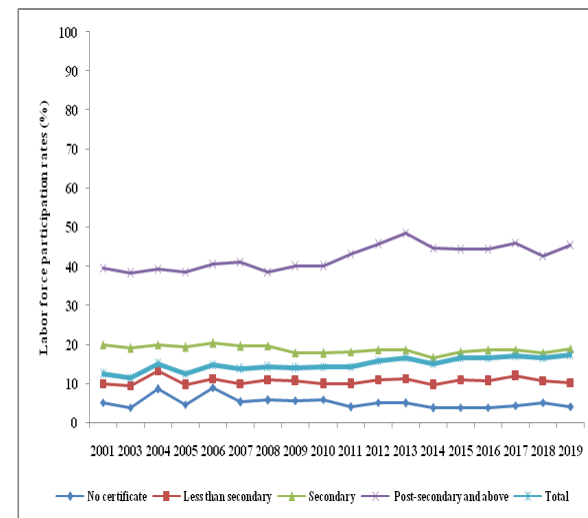
Total



Men



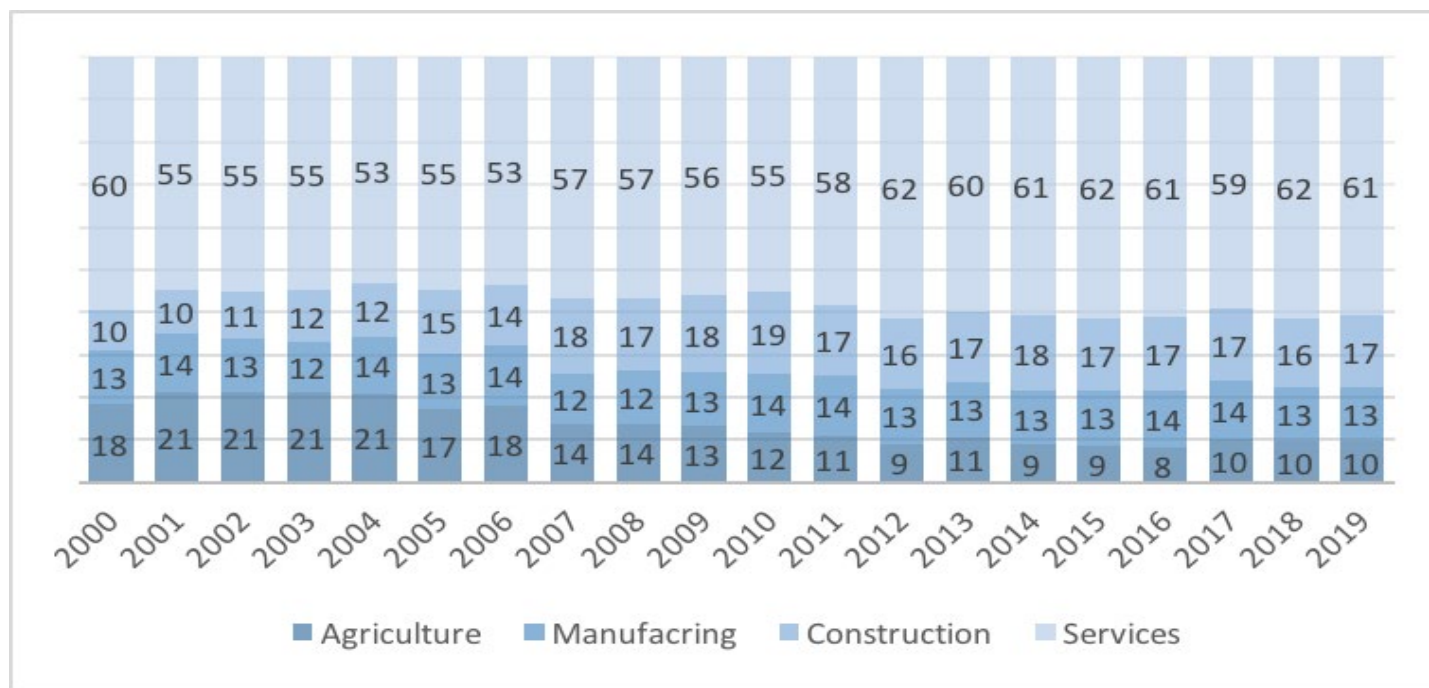
Women



Source: Authors based on ONS. Labour Force Surveys 2001–2019.



The evolution of the sectorial distribution of employment

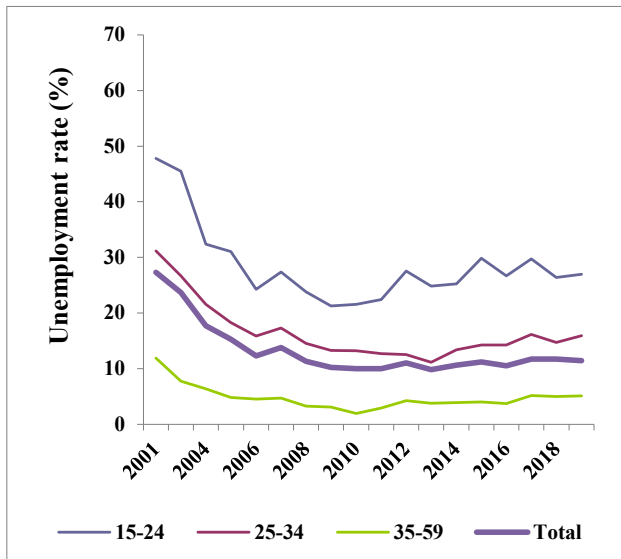


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

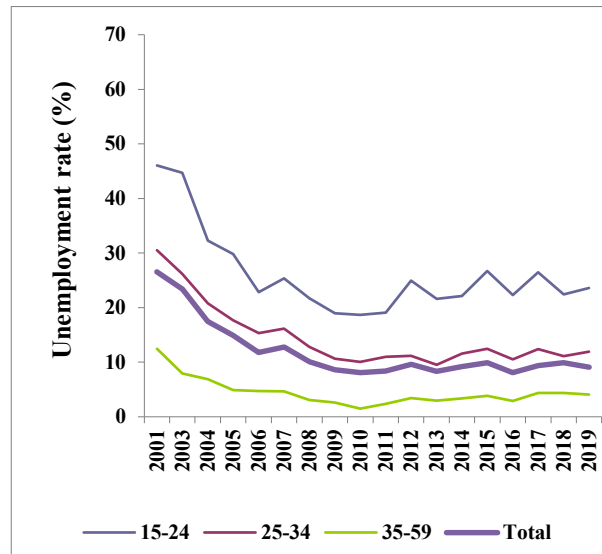


Unemployment rate, by age and sex

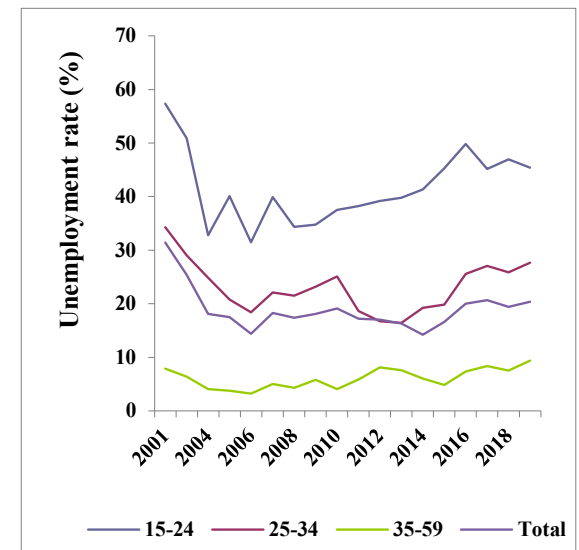
Total



Men



Women

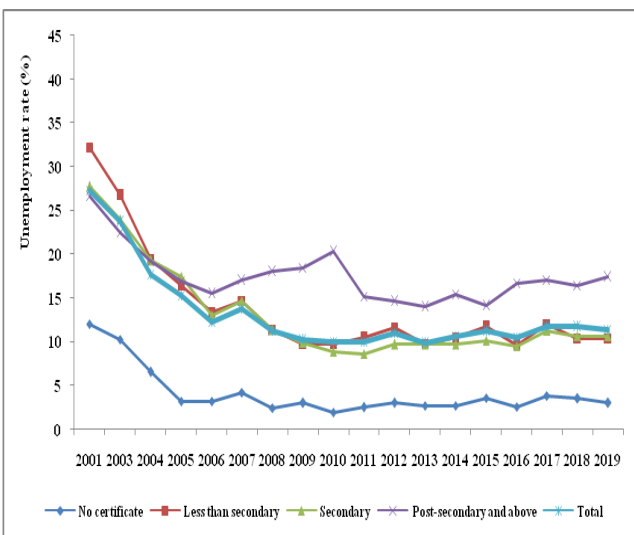


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

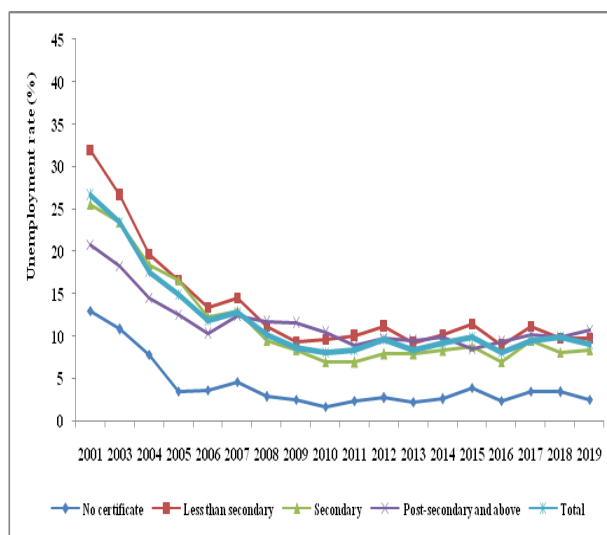


Unemployment rate, by education and sex

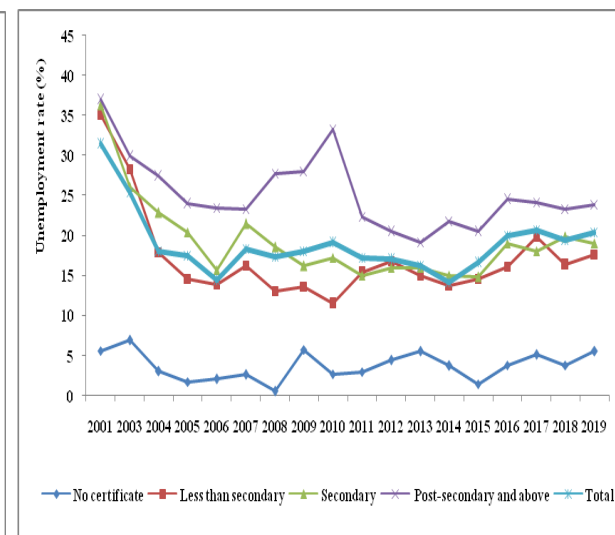
Total



Men



Women

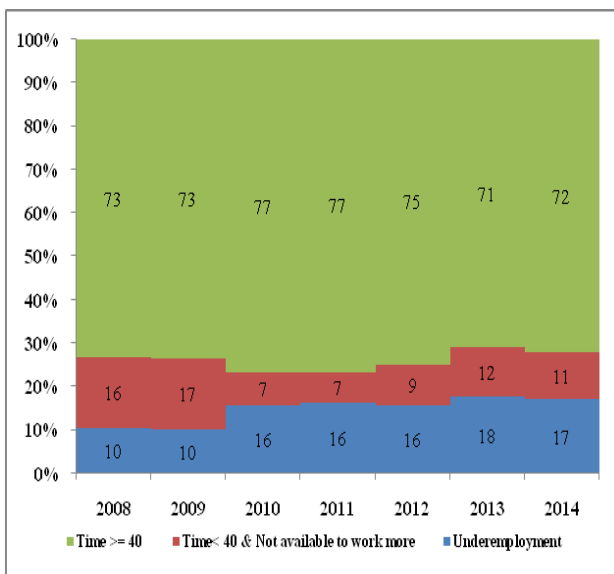


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

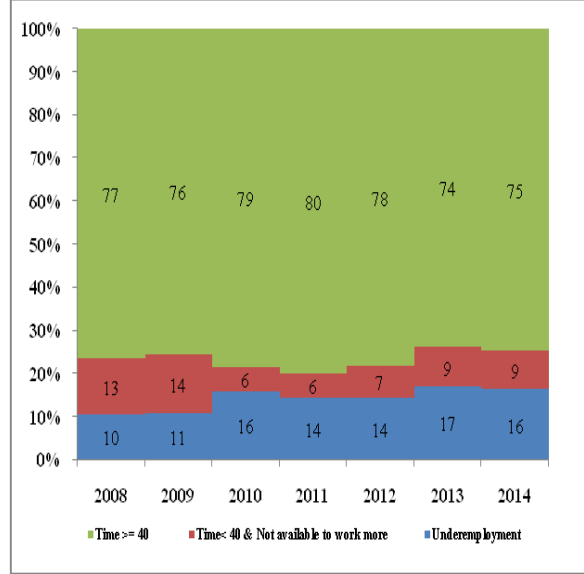


Underemployment, by sex

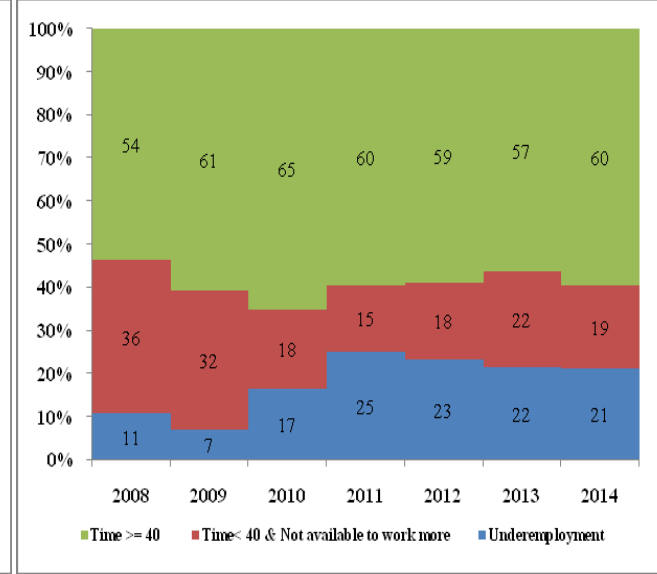
Total



Men



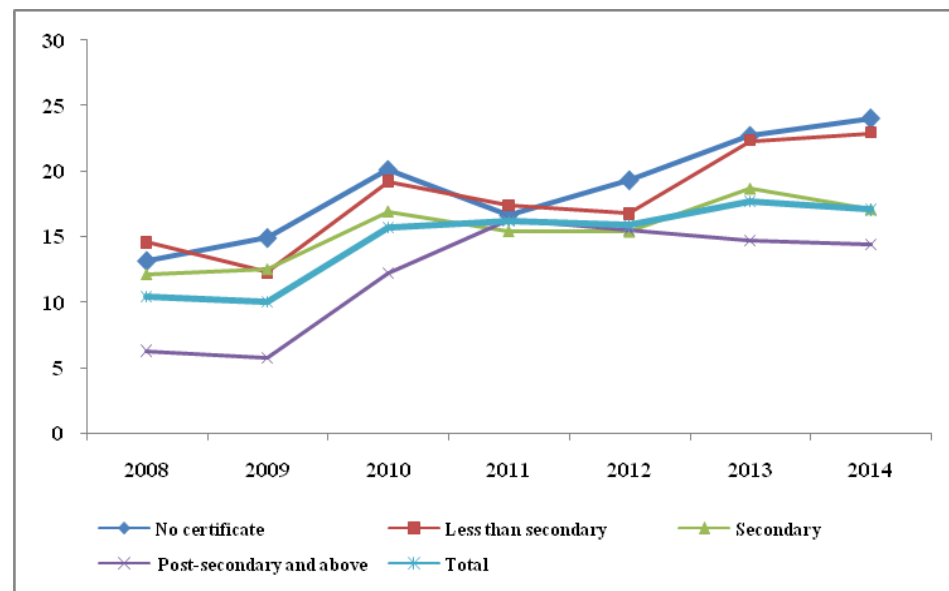
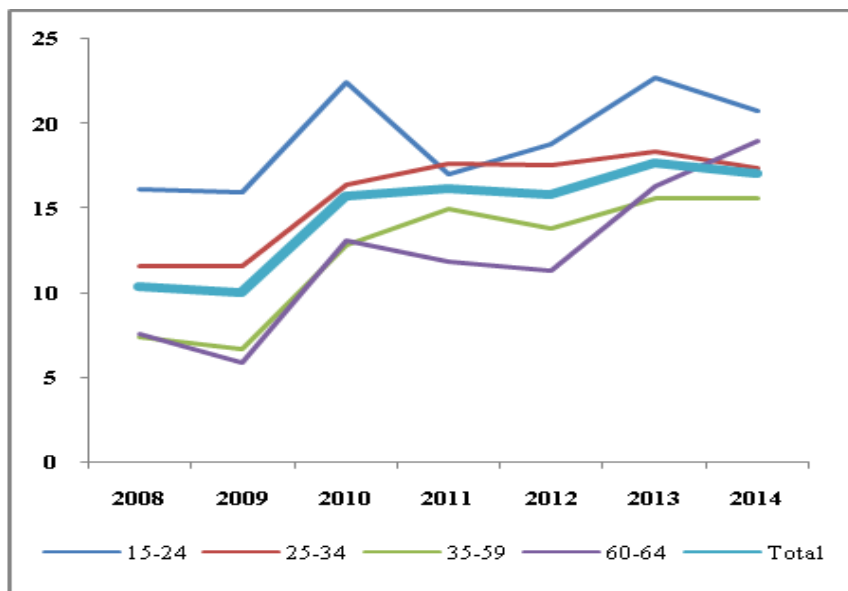
Women



Source: Authors based on ONS. Labour Force Surveys 2001–2019.



Underemployment, by age and education

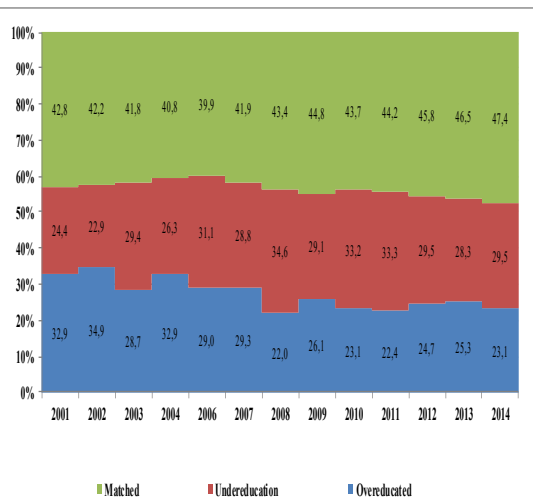


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

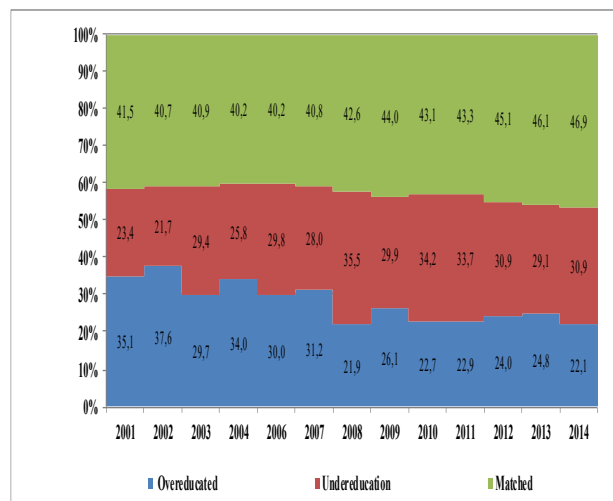


Education/occupation mismatch, by sex

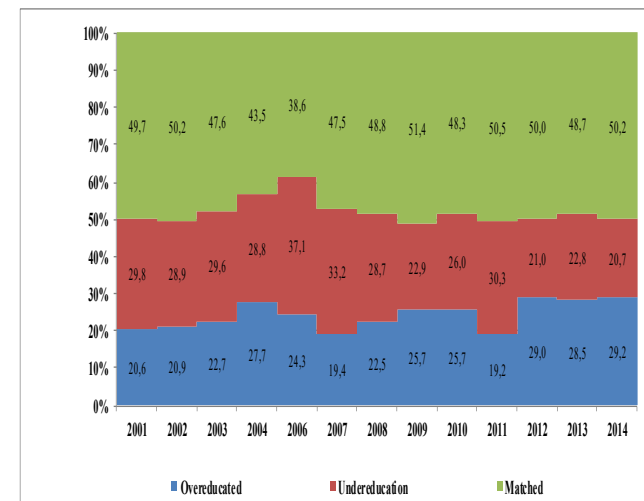
Total



Men



Women

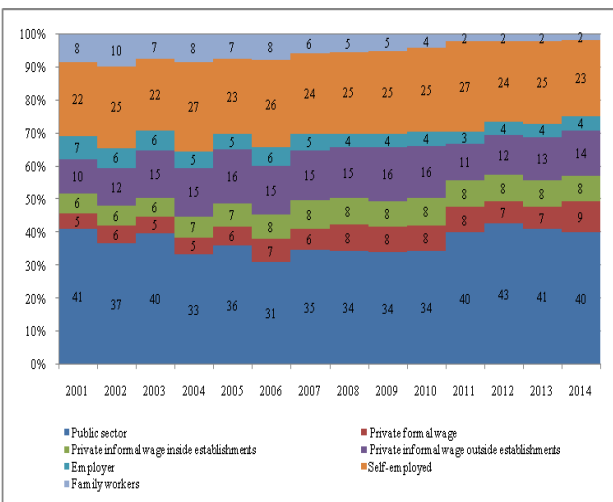


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

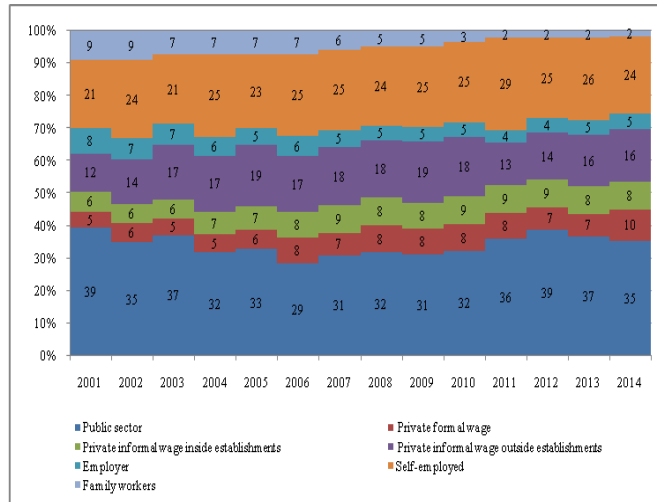


Type of employment, by sex

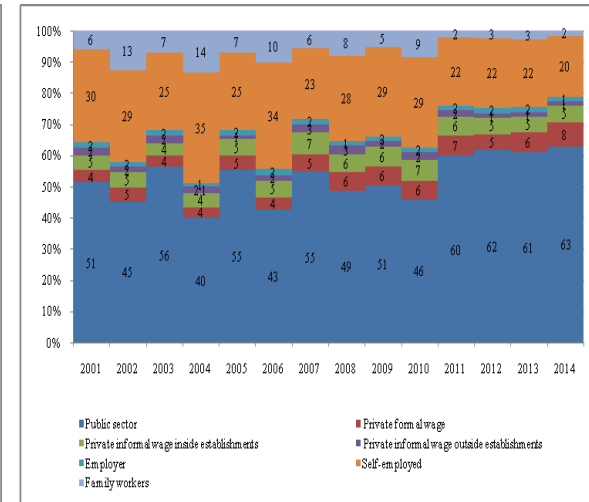
Total



Men



Women

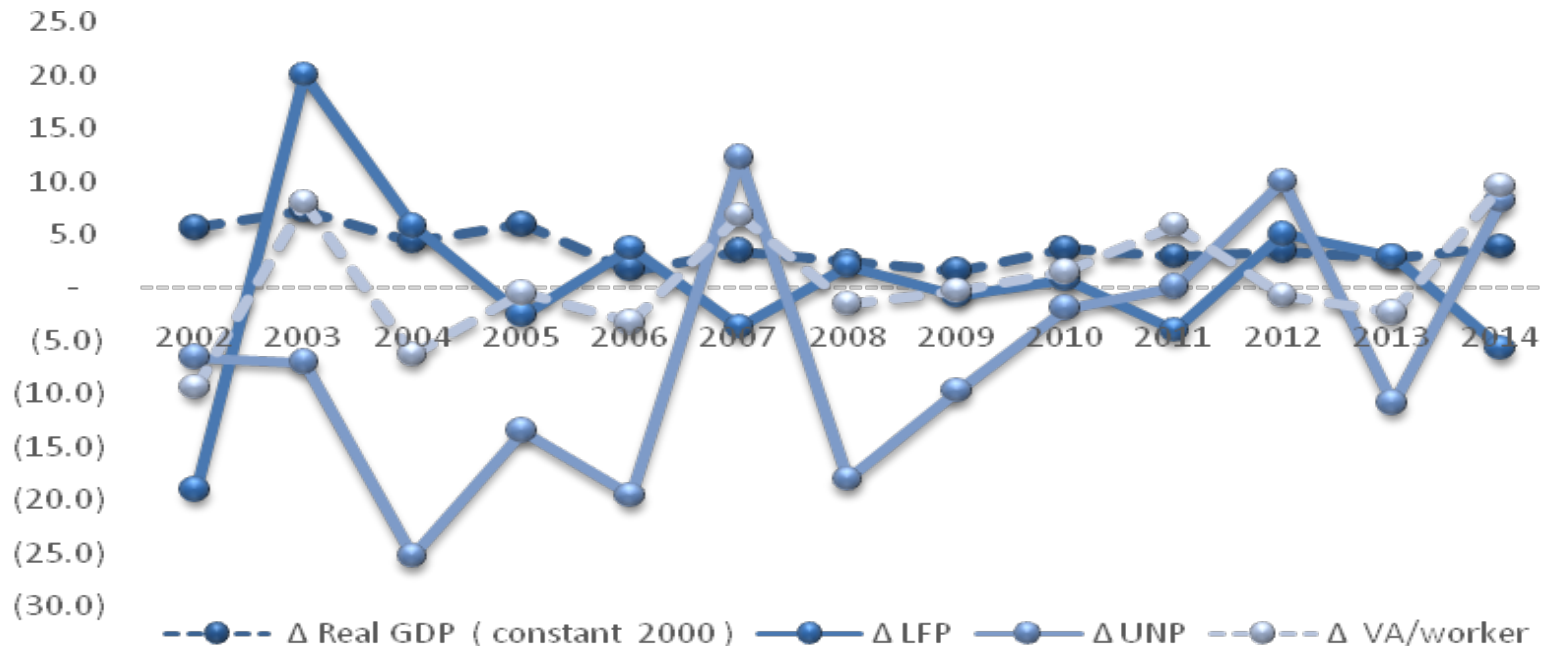


Source: Authors based on ONS. Labour Force Surveys 2001–2019.

The link between patterns of growth and trends in labour market outcomes



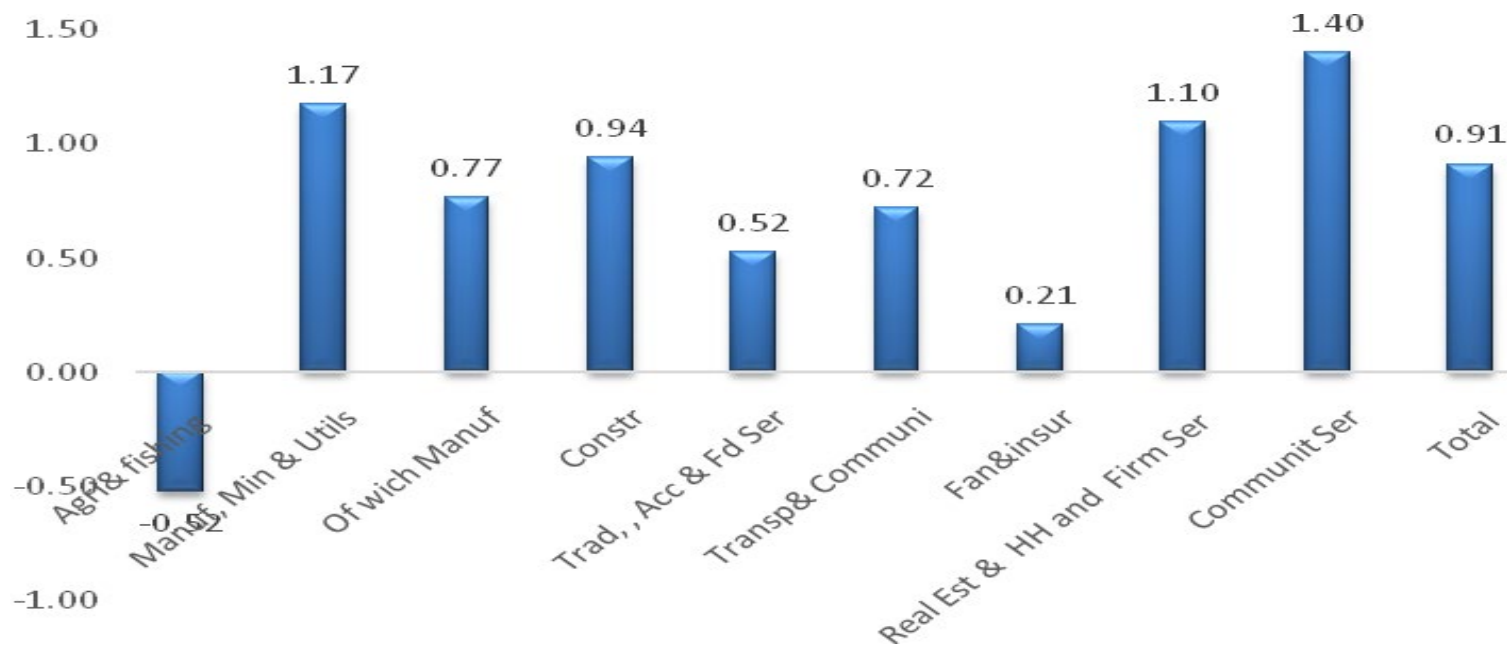
Okun's law, labour force and labour productivity



Source: Authors, based on ONS. 2020. Retrospective des comptes économiques de 1963 a 2018, ,and ONS. 2019. “Emploi et chômage”.



Elasticity of employment to GDP, from 2001–2014



Source: Authors, based on ONS. 2020. Rectrospective des comptes economiques de 1963 a 2018, and ONS Labour Force Surveys from 2001 to 2014.

Conclusion



- Algeria's employment policy has essentially consisted of increasing the size of the public service by increasing the number of subsidized temporary employment programmes for young people. In addition, entrepreneurship programmes have been at the heart of Algeria's job creation policy. Despite the importance of job creation programmes and the substantial amount of resources they absorb, little is known about their effectiveness. In addition, job creation programmes can have positive effects on individuals, but also have no impact or negative effects on the economy, including in the form of economic losses (deadweight losses), substitution effects and displacement effects. Although the programmes mainly create temporary jobs, no information is available on their long-term impact, on the "graduation" of beneficiaries and on their eventual exit from such programmes.
- Also, the high level of unemployment among young graduates is the result of a significant mismatch between labour market demand and supply. The private sector has not been able to create sufficient demand for skilled workers and on the other hand, the distribution of Algerian students is highly unbalanced towards disciplines that generate an undersupply of the skills most needed by the private sector.

Conclusion



- The authorities agree with the need to change Algeria's economic model. However, they continue to see an important role for the State in leading the economy. In fact, the current strategy aims to strengthen existing strategies and continue to rely on job creation programmes. However, these programmes only delay the emergence of problems: they do not address the underlying problems of the real economy and its lack of capacity to create jobs in the private sector.

*Thank you for
your attention!*



Questions?!