

COUNTRY STUDY

ALGERIA

Social Protection Monitoring

The EU-Algeria Partnership should support the Algerian government:

- To reduce unemployment rates and informal sector, especially among young people.
- In strengthening social protection policies, to eliminate geographical disparities between North and South regions in accessing social protection system, inequalities between the public and private sector and gender-based discrimination and face with political clientelism and the rentier nature of social protection policies.
- In promoting Freedom of Association and collective bargaining rights with regard to women, Persons With Disabilities (PWDs) and civil society organizations (CSOs).



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EXECUTIVE SUMMARY

Algeria is a country which suffers from high unemployment rates, especially among youth and the informal sector size is also predominant. SOLIDAR's members and partners also highlight the imbalances encountering the access to social protection programs, exacerbating poverty and inequality, and deficiencies in Freedom of Association (FoA) and collective bargaining rights with regard to women, Persons With Disabilities (PWDs) and civil society organizations (CSOs). Hence, they suggest that the EU-Algeria Partnership should support the Algerian government in strengthening social protection policies, on the one hand, and promoting the Freedom of Association and collective bargaining rights with regard to vulnerable groups: women, disabled people and CSOs.

Most urgent issues to be tackled

- **Unemployment and informal sector:** young people and university graduates are the most affected categories;
- **Imbalances in access to social protection system:** geographical disparities between North and South regions, inequalities between the public and private sector, gender-based discrimination, the existence of the political clientelism, the poor management and care provided to Persons With Disabilities (PWDs) and rare chronic diseases, the issue of the "independence" in the 'management budgets, the weak oversight of the private sector from the public authorities entitled to, the negative indicators of the labor market and the rentier nature of social protection policies are some key-elements of the inequitable distribution of social insurance.
- **Deficiencies in Freedom of Association and collective bargaining rights** with regard to women (gender-based violence has not diminished), disabled people and CSOs - under the Law on Associations

(2012) their formation is undermined and the consultation forums inefficient - and trade unions, subjects to restrictions in terms of freedom of association and assembly.

Key recommendations

The EU-Algeria Partnership should support the Algerian government:

- To reduce unemployment rates and informal sector, especially among young people.
- In strengthening social protection policies, to eliminate geographical disparities between North and South regions in accessing social protection system, inequalities between the public and private sector and gender-based discrimination and face with political clientelism and the rentier nature of social protection policies.
- In promoting Freedom of Association and collective bargaining rights with regard to vulnerable groups: women, PWDs and CSOs

REPORT

Ensuring Income security

SOLIDAR's members and partners in Algeria stress that the decent minimum wage stands at 18000 DA (EUR 140), with regard to the public sector, and at 12000–14000 DA for the private sector (EUR 100).

Concerning the unemployment benefits, both the European Commission (EC) and SOLIDAR's members and partners in Algeria precise that official unemployment is 10% but it basically reveals a rate standing between 16 and 22% depending on the age groups. However, it is very high among young people and university graduates.

Promoting a Rights Based Approach to Social Protection

Concerning the entitlement to Social Protection Floors (SPF), Algerian State Social Protection policies can be divided in two main parts: the social security and the state social activity. The Algerian social security system is composed of five funds, namely the National Social Security Fund (including maternity care, health insurance, accidents at work, family allowance and death insurance), the National Pension Fund, the National Social Security Fund for non-salaried people, the National Insurance Fund for unemployment and, finally, the National Fund for paid holiday and seasonal unemployment for construction, public work and irrigation employees¹. With regard to the state social activity, it is important to note that '85 percent of Algerians benefit from social security coverage, i.e. 31 million of the total population (38 million)². Beneficiaries include 9.47 million of people socially covered (nearly to 5 million active employees and 2.42 million retired people) besides those categories having the right to social coverage. Particularly, wage earners represent the largest socially covered category in the country (53.61%), followed by the retirees (15.97%) along with the students (14.21%). Moreover, 'the pension system in Algeria is socially expanded'³.

Despite the advanced position of the country at regional level and its average position at international one in terms of social protection system, some imbalances and alarming indicators are encountering it. Firstly, the project to reach out various targeted social categories throughout the country is ambitious and unbalanced. In fact, geographical disparities between North and South regions, inequalities between the public and private sector, along with gender-based discrimination, are some key-elements of the unequitable distribution of the social insurance. Secondly, the existence of a sort of "clientelism" granting special privileges to politicians undermines the social protection system as well. Thirdly, with regard to PWDs and rare chronic diseases, it can be highlighted the poor management and care provided, along with a

general lack of interest in this category by the decision-makers in the health care field (lack of laboratories and equipment to follow up these patients). Fourthly, despite the existence of regulating laws, the issue of the "independence" in the 'management budgets which become effective only after the consent of the ministry in charge' is another aspect to take in consideration. This means that it is the government who determines the social insurance beneficiaries' rights, the rate of subscriptions, the paying methods for family allowances, and so forth. Lastly, the weak oversight of the private sector from the public authorities entitled to, along with the negative indicators of the labor market (concerning a deterioration of unemployment rates and informal sector) and the rentier nature of social protection policies - namely using social insurance as a mean to support political legitimacy - represent other important imbalances in the Algerian social protection system⁴

Moreover, SOLIDAR's members and partners in Algeria point out the presentation in October 2014 of a legal provision aiming to expand the scope of action of social mutual, through the integration of the social system "Chifa". This also seeks the establishment of a supplementary pension that allows workers to have the opportunity to provide additional incomes to the retirement age. Furthermore, while the social security system in Algeria has more than 33 million insured persons, the number of social security structures has increased from less than 900 to over 15.000 in 2014⁵. SOLIDAR's members and partners in Algeria stress that, in the public sector, health care coverage is universal.

In terms of social inclusion, SOLIDAR's members and partners in Algeria highlight the dramatic situation with regard specific vulnerable categories: women, children, disabled people, migrants and refugees.

¹ ANND Watch Report, Algeria, pp.146-151

² According to Labor and Social Affairs Ministry's statistics and the National Bureau of Statistics, Ibid., p.152

³ Ibid., p.153

⁴ Ibid., pp.155-160

⁵ InfoSoir, *Sécurité sociale : Retraite complémentaire dès 2015*, 29 October 2014, from <http://www.infosoir.com/actualite/1686-securite-sociale-retraite-complementaire-des-2015.html>

Freedom of Association and enabling environment

Regarding the access to Economic, Social and Cultural Rights (ESCRs), while the EC recommends to promote the access to such rights especially with regard to women, children and disabled people, SOLIDAR's members and partners in Algeria stress that despite new legal provisions – not yet voted by both chambers—penalizing violence against women and creating a state fund to help divorced women, gender-based violence has not diminished. The lack of the rule of law, especially the lack of a specific code such as the Family Code, is the main reason of this situation which devotes a minor status to women completely in contradiction with the Algerian Constitution. In the absence of a law on asylum, the same abuses concern refugees in the country: no right is guaranteed and women and refugees have limited access to health care services.

In terms of legal framework for establishing associations and accessing to funding, both the EC and SOLIDAR's members and partners in Algeria point out the obvious shortcomings of the Law on Associations (2012), compared to the international legislations. In detail, a mandatory registration process is required for national and almost all international NGOs, which restricts international cooperation. For example, the international NGOs' representatives are unable to obtain visas to enter Algeria, which hinders their work and their cooperation with local NGOs⁶. SOLIDAR's members and partners in Algeria have added that such Law represents a major constraint to the Freedom of Association, besides the ability to create an association and to have access to foreign or national funding. Particularly, the Article 40 prohibits associations from interfering in the internal affairs of the country under penalty of being suspended. Through this article, the law undermines the essence itself behind the creation of an association.

Concerning the social dialogue and political consultations with CSOs, SOLIDAR's members and partners in Algeria stress that in the absence of a real CSOs' mapping and analysis of local dynamics, consultation forums organized in the country by the

DEU are inefficient. Moreover, the dialogue between the DEU and CSOs often includes the same organizations which are not representative of the real dynamics. Currently, the evaluation conducted by the DEU is interesting because it affects several areas and, thus, different profiles and contexts. However, the EC underlines how within the 2014-2020 programming period and according to the revised EU Neighbourhood Policy, CSOs will be not only beneficiaries but will also become involved in the implementation of cooperation programs through the irregular participation in bilateral programs⁷.

Concerning the participation to social movements, trade unions and political parties, the EC highlights that there is a constant lack of independence of the judiciary power and the situation seems to have deteriorated in respect of freedom of association and assembly - for the obstacles the independent unions face - and freedom of expression with regard to bloggers. In addition, 'women are well represented (30%) in Parliament since 2012, but the controversial provisions of the family code have not been modified'⁸. Nevertheless, SOLIDAR's members and partners in Algeria recognize that independent trade unions are active in certain areas, such as education, health and employment.

SOLIDAR's members and partners in Algeria stress that area of communication and information is controlled by the Algerian administration. As result, there are no guarantees on the freedom of expression and therefore on the right to information and transparency. Legislation restricts the different media in the exercise of their mission. The independent press is relatively free but it suffers from economic difficulties and from the control and exploitation of the public advertising by the Algerian government.

Financing Social Protection

Whilst the EC reports that social transfers - which have spread in recent years - currently consume a very important part of the state budget, without

⁶ European Commission (2014), Press Release Database, *MEMO, Paquet PEV - Algérie*, Brussels, 27 March 2014, p.2, Retrieved 14 October 2015, from http://europa.eu/rapid/press-release_MEMO-14-219_fr.htm

⁷ Ibid., p.4

⁸ Ibid., p.2

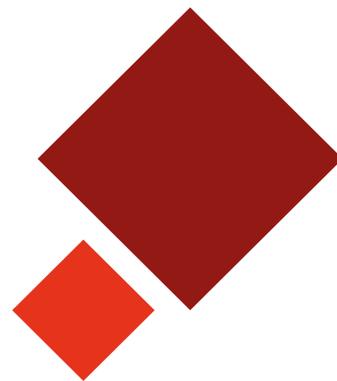
however targeting the poorest people⁹, SOLIDAR's members and partners in Algeria stress that the state budget provides the coverage on social spending.

⁹ European Commission and EEAS (2015). *Programmation de l'Instrument Européen de Voisinage (IEV). Cadre Unique d'Appui pour l'appui de l'UE à l'Algérie (2014-2017)*, p.4, Retrieved 14 October 2015, from http://eeas.europa.eu/enp/pdf/financing-the-enp/algeria_2014_2017_programming_document_fr.pdf

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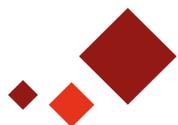
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The Social Protection Monitor is a tool developed by SOLIDAR members of the International Cooperation Committee, to allow partner organisations and allies based in the country to evaluate the priorities of the EU in the framework of the European Neighbourhood Policy (ENP). This report has been developed in the framework of a regional program "Decent Work, Social Protection and Freedom of Association in the Middle East and North Africa region" led by SOLIDAR.

SOLIDAR is a European network of membership based Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors; social affairs, lifelong learning and international cooperation.



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