

# [Social and cultural environments of algeria politics essay](https://assignbuster.com/social-and-cultural-environments-of-algeria-politics-essay/)

The name Algeria is derived from the name of the countrys oldest continuous settlement and modern capital, Algiers, a strategically located port city with access to both Europe and the Middle East. Most of the population of the country is in the north. While the majority of the population who are Arab (or mixed Arab and Berber) identify with the common Algerian culture, the Berber tribes, particularly in the more isolated southern mountainous and desert regions, retain more of the indigenous Berber culture and identity. In Arabic, the country is known as Al-Jaza’ir, which is short for Al-Jumhuriyal Al-Jaza’iriyah ad-dimuqratiyah ash-sha’biyah.

## Location and Geography

Algeria is in northern Africa. It borders Tunisia and Libya to the east; Niger, Mali, and Mauritania to the south; Morocco and Western Sahara to the west; and the Mediterranean Sea to the north. It covers a total of 919, 595 square miles (2, 381, 751 square kilometres), making it the second largest country in Africa (after Sudan), and the eleventh largest in the world. Almost nine-tenths of this area is composed of the six Saharan provinces in the south of the country; however, 90 percent of the population, and most of the cities, are located along the fertile coastal area known as the Tell, or hill. The climate is desert like, although the coast does receive rain in the winter.

## Demography

The estimated population as of 2000 is 31, 193, 917. Ethnically it is fairly homogeneous, about 80 percent Arab and 20 percent Berber. Less than 1 percent are European. The Berbers are divided into four main groups. The largest of these are the Kabyles, who live in the Kabylia Mountains east of Algiers. The Chaouias live in the Aurès Mountains, the M’zabites in the northern Sahara, and the Tuaregs in the desert.

## Symbolism

The flag is green and white, with a red star and crescent. The star, crescent, and the colour green are all symbolic of the Islamic religion.

## Linguistic Affiliation

The original language of Algeria was Berber, which has varied dialects throughout the country. Arabs came to the country early in its history, along with Arab culture and the Muslim religion. When the French came, they attempted to get rid of native culture, and one of the ways they did this was to impose their language on the people. At independence, Arabic was declared the official language. Arabic and Berber are the languages most spoken in day-to-day life. French is being phased out, but it remains an important language in business and some scientific and technical fields, and it is taught as a second language in the schools.

## Classes and Castes

The majority of Algerians are poor. Those who are better off are almost always Arabs, and tend to be urban and well educated. The upper classes generally look down not just upon the Berbers, but also upon rural, semi-nomadic Arabs who speak a different dialect. However, most Algerians are racially a mix of Arab and Berber, and variations in skin tone and hair colour are not reflected in social standing.

## Symbols of Social Stratification

In the cities, most men, and some younger women, now wear European-style clothing. The traditional garb is a white woollen cloak, called a gandoura, worn over a long cotton shirt. A cape called a burnous is sometimes draped over the shoulders; it is made of linen for the summer and wool for the winter. Sometimes the burnous is plain, or sometimes it is adorned with fancy embroidery, indicating the wealth of the

Women’s clothing is similar, although more complete in its coverage. The haik drapes them from head to foot, and is worn over loose pants, which are gathered at the ankle. Tuareg men can be distinguished by the length of indigo cloth they wear wrapped around the head in a turban, extending over their robes, and covering them completely with the exception of their eyes.

## Political Life

Algeria is officially a multiparty republic. It has been controlled since independence by the FLN. In 1988 a new constitution legalized other parties, although certain militant Islamic groups have been outlawed. There is one legislative house, the National People’s Assembly, composed of 295 elected deputies who serve five-year terms and are allowed to run for consecutive terms. There is universal suffrage. The president is elected to an indefinitely renewable five-year term. He appoints a prime minister, who appoints a cabinet.

The country is divided into forty-eight provinces, or wilayat, each of which elects its own assembly. The governor, or wali, is appointed by the national government, and serves as the primary liaison between local and federal government. The wilayat are further divided into administrative districts or diaraat, which are themselves broken up into communes.

## Social Problems and Control

There is a large degree of social unrest, which is exacerbated by both political repression and unemployment. The political repression gives way not infrequently to various forms of terrorism, including kidnapping and the murder of civilians. The high unemployment rate has contributed to an increase in crime, particularly in the cities.

## Gender Roles and Status

Women work almost exclusively in the home, taking care of all domestic chores. Anything that involves leaving the house is taken care of by men, including shopping. Only 7 percent of women work outside the home, most of these in traditionally female professions such as secretarial work, teaching, or nursing. (However, this 7 percent does not include women who work in agriculture, and in farming communities; it is common for women as well as men to work in the fields.) Women are allowed to run for public office, but such attempts are still extremely rare.

## Etiquette

Greetings are lengthy and involved, including inquiries into health and family. Social interactions are much more common among members of the same gender than between men and women. Public displays of affection-touching, hand-holding- between men and women are rare, but not between members of the same sex.

## Marriage, Family and Kinship

Marriages in Algeria are traditionally arranged either by parents of the couple or by a professional matchmaker. Despite its prevalence in Algeria, the influx of Western culture has had little influence in this realm, as the majority of marriages still are arranged. It is considered not just the union of two individuals, but also of two families.

By a law passed in 1984, women gained the right to child custody and to their own dowries. However, the law also considers women permanent minors, needing the consent of their husbands or fathers for most activities, including working outside the home. The decision to divorce rests solely with the husband. It is still legally permissible, although rare, for men to have up to four wives, a code that is laid out in the Qurán (Koran).

## The Domestic Unit

Traditionally the domestic unit included whole extended families. The husband, his wives, and their children continued to live with the husband’s parents. Grandparents also were part of the household, as were widowed or divorced daughters and aunts and their children. This has changed somewhat since independence, with increasing urbanization and the trend toward smaller families. However, it is still common for Algerian women to have between seven and nine children.

## Religious Beliefs

Ninety-nine percent of Algeria is Sunni Muslim. There also is a tiny Jewish community, whose presence goes back centuries. Christianity has existed in Algeria since the Roman era, but despite efforts (particularly by the French colonizers) to convert, the number of Algerian Christians is very small. Islam forms the basis not only of religious life in Algeria but also is a unifying force (both within the country and with other Arab nations), creating for all believers a common ground that is both cultural and spiritual. There is a range of observance among Algerian Muslims; rural people tend to hold more strictly to the traditional practices.

There also are remnants of the indigenous Berber religion, which has been almost entirely subsumed by Islam. Despite opposition by both the French colonizers and the Algerian government (who viewed this religion as a threat to the unity of the country), there are still some organizations, called brotherhoods, that hold on to their magical practices and ceremonies.

## SECTION 2

## The Financial and Economic Environment of Algeria

## An overview of the Algerian Economy

In accordance to land area Algeria is the second largest country in Africa. The Algerian land is blessed to have many different natural resources and the world’s fifth largest natural gas reserves. Agriculture played the largest part in the Algerian economic sector up until 1962, when Algeria was liberated from the French colonization. From 1962 to the early 1980’s Saharan oil was discovered, and dominated the Algerian economy to a point of extremity. In the late 1970’s the oil revenues rose, giving the Algerian economy a boost of a believed 20 % growth rate in GDP. Unfortunately the oil market plunged significantly between 7%-8% during 1980-1981, this lead to a GDP decline of 5% for the Algerian economy. The economy continued to decline until 1994. A debt restructuring plan was created an effectively implemented in 1994 due to the weakened economy, this helped improve the GDP greatly, leading to high growth rates for the next 10 years. The factors that helped to improve these high growth rates were primarily high export of natural gasses and crude oil, creating the foundation for extraordinary large foreign exchange reserves.

## The Size of the Algerian Economy

Algeria’s GDP (purchasing power parity) was estimated to be $239. 6 billion in 2009, which is an increase of $12. 5 billion since the estimated amount in 2007. Algeria is ranked 48th overall in the world country GDP’s. The improved GDP is a direct sign that the country’s economically stable and growth rate is high. The raised GDP is also a sign that the standard of living is increasing, and the country is economically evolving to international standard. However the GDP, per capita (PPP), is was at an estimated $7000 in 2009, this is only a $200 increase from 2007, which goes to show that even though the overall GDP of Algeria is largely increasing the wealth of the country is not exclusively subjective to the living standards of the Algerian people. The ratios between the GDP and the GDP-PPP are not in equal correlation to one another. The GDP (PPP) of Algeria ranks it at the 124th place globally. Algeria is commonly labeled as a lower-middle income country, with an estimated population size of 35 million citizens, of these people 23% of all Algerians live below the poverty line. This can show the extremities of class difference between the wealthy and the poor.

## The Structure of the Algerian Economy

Fossil fuels and natural reserves account for the majority of the Algerian income, making up a grand total of an estimated 62% of the total country earnings and budget revenues. Just over 95% of all foreign trade dealing done with Algeria is due to its hydrocarbon, petroleum, natural gasses and crude oil reserves. Algeria is the world’s second largest suppliers of gas, and one of the largest suppliers of natural gasses to the EU. It is without say that the Industrial Sector is the main component of the Algerian economy. Although 14%-20% of the Algerian population are directly involved in the Agriculture Sector of the economy, this sector contributes roughly 8%-11% of the GDP of Algeria. With only 3% of the land in Algeria arable, this leads to a 45% import of food produce from other countries. A grand total of 60% of the Algerian population is involved in the Service and Governance Sector, which makes up the remaining 28% of the Algerian GDP.

## The Economy Effects on the Algerian People

60% of the Algerian population is working in the Service and Governance Sector and 20% are involved in the Agriculture Sector, these two sectors together however only generate a total of 39% of the GDP. It is no wonder that the unemployment rate of Algeria is 34% with an estimated 28% of the population living below the poverty line. Although the government is attempting to make great strides in diversifying the work opportunities available in each sector and to improve the overall living standards for its people, it has made no impressionable improvements in decreasing the unemployment rate or improving the living standards. The GDP, per capita (PPP), $7000, is low in accordance to the nominal GDP of Algeria which is a This is a significant sign that the economy is surviving and doing well yet the country’s people are not benefiting from it. The Consumer Price Index stood at 4. 1% in 2009, which showed a 0. 3% decrease from previous years, but still places Algeria as 126th globally for high inflation rates. The Household Income and Consumption lowest 10%: 2. 8% and the highest 10%: 26. 8% (2000). This statistic shows the vast difference that can be made within the population income and consumption. The variance between the two ratios is very high, even with the highest not being a large percentage which gives the image of a population of people that are not economically sound. By improving the infrastructure and legal policies within the country more jobs will be defines for the average citizen, The Industrial Sector generates the largest percentage of GDP but employees the least amount of people, the other Sectors need to be developed and built upon. The government is attempting to gain more foreign direct investment and interest to increase the growth rate of Algeria, thereby developing the economy and the sectors in an attempt to increase job opportunities.

## Economical Statistical Trend

Observing the economical trend that has occurred in Algeria over the past three to five years, an overview of the economical situation at hand can be seen. Patterns and likely future predictions can be made in order to see whether the country will progress or regress.

GDP (purchasing power parity): GDP – per capita (PPP):

$239. 6 billion (2009 est.) $7, 000 (2009 est.)

country comparison to the world: 48 country comparison to the world: 125

$233. 5 billion (2008 est.) $6, 900 (2008 est.)

$227. 1 billion (2007 est.) $6, 800 (2007 est.)

$227. 1 billion (2007 est.) $239. 6 billion (2009 est.)

GDP – real growth rate: Inflation rate (consumer price index):

2. 6% (2009 est.) 4. 1% (2009 est.)

country comparison to the world: 68 country comparison to the world: 126

2. 8% (2008 est.) 4. 4% (2008 est.)

3. 1% (2007 est.)

Central bank discount rate: Household Income/ Consumption

4% (31 December 2008) lowest 10%: 2. 8%

country comparison to the world: 121 highest 10%: 26. 8% (2000)

4% (31 December 2007) (Percentage Share)

Exchange rates: (DZD) per US$ GDP (official exchange rate): 72. 5 (2009), 63. 25 (2008), 69. 9 (2007), $136. 4 billion (2009 est.)

72. 64 (2006), 73. 3 (2005)

Exports: Imports:

$52. 03 billion (2009 est.) $39. 51 billion (2009 est.)

country comparison to the world: 43 country comparison to the world: 53

$78. 23 billion (2008 est.) $39. 16 billion (2008 est.)

Exports – commodities: Imports – commodities:

petroleum, natural gas, petroleum products capital goods, foodstuffs, consumer goods

Exports – partners: Imports – partners:

US 23. 9%, Italy 15. 5%, Spain 11. 4%, France 16. 5%, Italy 11%, China 10. 3%,

France 8%, Netherlands 7. 8%, Canada 6. 8% Spain 7. 4%, Germany 6. 1%, US 5. 5%

(2008) (2008)

Stock of direct foreign investments Stock of direct foreign investments

-at home: – abroad:

$15. 46 billion (31 December 2009 est.) $1. 362 billion (31 December 2009 est.)

country comparison to the world: 71 country comparison to the world: 65

$13. 76 billion (31 December 2008 est.) $1. 162 billion (31 December 2008 est.)

Reserves of foreign exchange and gold:

$149. 2 billion (31 December 2009 est.)

country comparison to the world: 9

$143. 5 billion (31 December 2008 est.)

(All above amounts appear in US dollars)

(Ref: All above statistical data taken from http://memory. loc. gov/cgibin/query/r? frd/cstdy:@field%28DOCID+dz0079%29)

## Algerian Reserves

Algeria is rich in ‘ Black Gold’, any country that has oil is likely to prosper and have abundant reserves for the future. Due to this fact Algeria has shown an increase in foreign currency reserves since 2000. This increase is solely due to the increasing oil prices and the profits the country has made from the crude oil exports. Foreign reserves in Algeria totalled $99 billion by the end of the financial year of 2007 this reflected an increase of $87 billion in just 7 years, when the foreign reserves in Algeria were $12 billion at the end of 2000. By the end of 2009 Algeria had reached a foreign currency reserve of up to $149 billion. Due to these statistics we can safely assume that Algeria has enough reserves and will continue to have their foreign currency reserve increase due to the fact that the country is rich in oil.

## Algerian Trade Policies and Foreign Affairs

Algeria is known for having a tightly federal system. An economic reform is on the cards for Algeria which would help to decentralize the tight fiscal policies and create a market- orientated system. As crude oil and natural gas reserves are the backbone of the Algerian economy, both of which are essentially unpredictable and erratic, the government is actively attempting to create diversity in other sectors to interest international and domestic investments, and create a more stable economical backbone for the country. The reform plan includes the ‘ Association Agreement’ Algeria signed in 2001 in conjunction with the European Union, and the entry into the World Trade Organization, these factors make Algeria more appealing for foreign investors. The reform plan also includes the selling of up to 450 state-owned enterprises, the abolishment of privatization of the agriculture sector, the discontinuation of selling state-owned monopolies, reforming of all banking sectors, and generally making all trade aw well and foreign and domestic business conduction more conducive for all.

## Economical Trend Conclusion

As can be seen above, the economical aspects of Algeria have been volatile over the past years. This is duly to the fact that natural gas and crude all are erratic industrial sectors to be involved in. The reform plan that Algeria is currently involved in promotes more growth for foreign and domestic investment. Progress will be achieved not only due to the fact that the country has abundant fossil fuel reserves, but due to the fact that Algeria is consciously making efforts and taking action to create an economically conducive environment for not only foreign investors but for the population too. Algeria needs to take into consideration the high unemployment rate and the sufficiently deal with the tight and centralized government policies in order to attract foreign investment. Building infrastructure and reforming banking sectors will create employment for the population.

## SECTION 3

## Political and Legal Environment of Algeria

Source: CIA- The World Factbook [online] (cited 30 April 2010) Available from: https://www. cia. gov/library/publications/the-world-factbook/geos/ag. html

## I. Political system/Current issues

The People’s Democratic Republic of Algeria is a sovereign country, gaining its independence from France on the 5th of July 1962. The form of the government is presidential republic in which there is an executive branch existing and presiding separately from the legislative one, to which the executive branch is not accountable. Furthermore, legislature is not allowed to dismiss the executive branch. In other words the form of government is constitutional republic with a democratically elected government, and in the following lines the system will be detailed and clearly understandable. (Presidential system [online] cited 30 April 2010; Politics of Algeria [online] cited 30 April 2010;

Executive branch:

The President of Algeria is the head of state, chief executive of the country plus the Commander in Chief of the Algerian armed force elected for five year term. It has been limited to 2 five year terms, but it was removed in 2008 by a constitutional amendment by the Parliament. The president is also the head of the Council of Ministers and the High Security Council. One of his main tasks is appointing the Prime Minister, one-third of the upper house of the legislature and the Council of the Nation. The current president is Abdelaziz Bouteflika who is the tenth president since 1999, spending his third term. There was an amendment which differentiated the position of the government head and the prime minister. (Politics of Algeria [online] cited 30 April 2010)

The Prime Minister of Algeria is appointed by the President and is the head of the government. There is no constitutional limit concerning the Prime Ministers’ term. The current head of the government is Ahmed Ouyahia since June 2008.

The executive power is exercised by the government, and almost all greater powers of the state are settled in the hand of the executive. (Outline of Algeria [online] cited 30 April 2010)

Legislative branch:

The legislative branch is owned by the government and the two chambers of the Parliament. Either the President or one of the chambers of the Parliament have the power to initiate legislation, and it must be conveyed to both chambers before it become a law and it cannot be handled without the permission of the presidency.

The Parliament of Algeria is bicameral which means having to chambers. The lower chamber is called the People’s National Assembly (ANP) having 389 members and elected every five years. The previous election was held in May 2007 and the next will be in 2012. The upper one is called the Council of the Nation with 144 members serving for six year term, but it is required for half of the Council to be renewed every three years. 2/3 of them are elected by regional and municipal authorities and the rest are appointed by the president. The last election was held in December 2009 and the next is in 2012. ( Algeria- GOVERNMENT AND POLITICS [online] cited 30 April 2010)

Judicial branch:

The Judicial power is in the hand of the Supreme Court. The Supreme Court is located in Algiers. Its most important claim is to secure equal application of law in the whole country. The Supreme Court can be distributed into four parts, a Criminal Court and an Administrative Division, the Private Law chamber for civil and commercial cases, a Social Division handling issues of social security and labor. (Algeria- Supreme Court [online] cited 30 April 2010)

Parliament:

In Algeria a so called multi-party system has subsistence, meaning that there can be two or even more political parties gaining control over the government separately or in coalition. The Ministry of the Interior must approve all the political parties.

Currently Algeria has more than forty legal parties and the major ones have the capacity and the opportunity to represent themselves in the Parliament: National Liberation Front (FLN), National Rally for Democracy (RND), Movement of National Reform (MRN), Movement of Society for Peace (MSP), Workers’ Party (PT), Algerian National Front (FNA), Islamic Renaissance Movement (MNI), Party of Algerian Renewal (PRA), Movement of National Understanding (MEN). (List of political parties in Algeria [online] cited 30 April 2010)

FLN

National Liberation Front

Front de Libération National

Abdelaziz Boutflika

RND

National Rally for Democracy

Rassemblement National Démocratique

Ahmed Ouyahia

El Islah/MRN/MI

Movement for National Reform

Mouvement El Islah/Mouvement du Rénouveau National

Abdallah Djaballah

Hamas/HMS/MSP

Movement of Society for Peace

Mouvement de la Societé pour la Paix

Bouguerra Soltani

PT

Workers’ Party

Parti des Travailleurs

Louisa Hanoune

FNA

Algerian National Front

Front National Algérien

Moussa Touati

Ennahda (MN)

Islamic Renaissance Movement

Mouvement Ennahda/Mouvement de la Renaissance Islamique

Lahbib Adami

PRA

Party of Algerian Renewal

Parti du Rénouveau Algérien

Yacine Terkmane

MEN

Movement of National Understanding

Mouvement de l’Entente Nationale

Ali Boukhazna

Source: List of political parties in Algeria [online] (cited 30 April 2010) Available from: http://en. wikipedia. org/wiki/List\_of\_political\_parties\_in\_Algeria

The suffrage is universal in Algeria and at 18 years of age. (Algeria [online] cited 30 April 2010)

The constitution was created in 1963 and was revised several times, and the current constitution which is used today as well exists from 2008. (Algeria [online] cited 30 April 2010)

The administrative division is the following: there are 48 provinces, called wilayat which are divided into communes and headed by walis/governor who report to the Minister of Interior. Wilayat and communes are governed by elected assemblies. (Algeria [online] cited 30 April 2010)

## II. Political history

Algeria as a colony finally gained its independence from France in 1962 and until 1988 the country was a highly socialist country ensuring a core role in the economy for the government. Politically the country could be introduced as a single-party regime. Ahmad Ben Bella, as the first president of Algeria began to nationalize the land owned by France.

After the realization of the failure of the socialist system, in the time of President Chadli Benjedid a greater emphasis started on agriculture and his economic liberalization program decreased the huge government control over the economy.

Democracy appeared in the years between 1995 and 1997, when the main goals of the elections were to replace the group of military leaders who had the power over the country and to introduce a democratically elected government. Under the pressure of the military the current president of that time who was Gen. Liamine Zeroual soon announced his untimely resignation.

The following president came, who is the present president of Algeria, called Abdulaziz Bouteflika on the 15th of April 1999. His election brought the hope of the end of the 7 year civil war. Finally, after the strong domination of the military since the 1960’s, the restoration of the democracy appeared in the country. (Algerian politics, government and taxation [online] cited 30 April 2010)

## III. Political attitude towards trade and investment

Algeria has just gained its independence from France in 1962, and had no opportunity to cooperate externally with foreign countries. The country was partly isolated and the government attitude towards international relations was very poor because of the lack of trust and the different hardships the country was facing to in the previous decades like political and economic crisis, and terrorist attacks. After handling these difficulties, Algeria was managed to take steps towards the changing of their attitudes which resulted the revival of the economy. (Algeria Today and Tomorrow The British Connection [online] cited 30 April 2010)

Now, the country welcomes all trading partners who are positive and well-intentioned and advantageous for the economic and the financial situation of the country-said Mourad Medelci who is the Minister of Foreign Affairs in Algeria. The Algerian government strongly supports for example the flourishing cooperation with the United States. The improvement of this mutual relationship with the USA in various sections empowers Algeria to manufacture and export a larger scale of products. ( Algeria Today [online] cited 30 April 2010)

Algeria opened its borders and changed its attitude towards the British investors and companies as well inviting them to be partners gaining mutually high benefits.

## IV. Legal system

For the development of the foreign investment, Algeria provided an investment code in 2001 including several advantages to the investors. Furthermore, Algeria improved instruments which are necessary for a successful investment promotion, like the National Investment Council and the National Investment Development Agency.

A new customs tariff was introduced in 2002. It was decided to an eight figure structure and contained four customs rate, more exactly 0, 5, 15 and 30%. These rates are laid down on the extent of the transportation of the products imported. For raw materials and capital equipments the 5% rate is in use, for semi-finished goods and intermediate products the 15% which is the average, and the highest 30% rate is for final end-user consumer goods. Observing these rate levels, we can state that Algeria is one of the most open countries in the Mediterranean basin. Although we should not forget about the so called DAP which is the abbreviation for additional temporary duty, which is accommodated to several goods because of the protection of the goods produced in the country. The rate of this duty is falling from year to year, until it finally will disappear. (Algeria Business Opportunities and News [online] cited 1 May 2010)

There are several tax advantages granted to the investors and these are categorized in different regimes, more exactly the general regime, the special regime and the convention regime.

The general regime is guaranteed automatically to every industrial investment except the non-eligible investments. During the investment period they receive advantages like entering directly to the realization of the investment avoiding custom duties, plus exemption from property transfer tax. During the exploitation period advantages like tax exemption for minimum 3 years may occur. (Foreign Investment in Algeria [online] cited 1 May 2010)

The special regime is mainly for those investments in certain geographical areas in which the promotion of the improvement of the investment is essential. During the exploitation period, the tax exemption is given for maximum period of 10 years. (Foreign Investment in Algeria [online] cited 1 May 2010)

The convention regime is used in case of investments which are important for the economy of Algeria. The investor can make an agreement with the National Investment Development Agency so as to receive the advantages that are provided for those being in the framework of the special regime. (Foreign Investment in Algeria [online] cited 1 May 2010)

Algeria is the member of several international trade associations:

WTO- World Trade Organization

UNCTAD- United Nations Conference on Trade and Development

UN- United Nations

ICC- International Chamber of Commerce and so on.

## REFERENCE PAGE

## Section 1

## (Englónger Ákos)