

Prosperity in the world: a comparison of Algeria's performance using Legatum indexes

الازدهار في العالم: مقارنة أداء الجزائر باستخدام مؤشر اتليجاتوم

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Abstract:

Despite the progress in absolute terms observed in the three components of the HDI examined separately, the international comparison carried out against countries (with similar performances during the 1980s) revealed Algeria's decline given the progress recorded by Spain, South Korea, Malaysia, and Ireland precisely

The hierarchical classification revealed that Algeria's prosperity model was similar to that of former Soviet Union (USSR) countries. Despite being independent for less than 30 years, Algeria remained locked in the HDI's rentier wealth driving force, abandoning new components of prosperity such as personal freedoms, social capital, and the business environment.

Keywords: prosperity, international comparison, indicator of legatum, performance, classification.

المخلص:

أفرزت المقارنة الدولية الجامعة لدول متقاربة الأداء التنموي في ثمانينات القرن الماضي إلى تراجع الجزائر نسبيا بالنظر لحجم التقدم المسجل في دول اسبانيا، كوريا الجنوبية، ماليزيا و ايرلندا على وجه مخصوص، بالرغم من التقدم المطلق المسجل عند فحص مركبات IDH كل على حدى.

كشفت التصنيف العنقودي على أن نموذج الازدهار في الجزائر كان قريبا من دول الاتحاد السوفياتي سابقا والمستقلة منذ أقل من 30 سنة، وبقيت حبيسة ثروة ريعية دافعة لمسار التنمية البشرية بصيغتها الثلاثية (IDH) متناسية المركبات المستحدثة و المتمثلة في الحريات الشخصية، رأس المال الاجتماعي، بيئة الأعمال والأمن بدرجة أقل.

الكلمات الدالة: ازدهار، مقارنة دولية، مؤشر ليجاتوم، الأداء التنموي، ترتيب.

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1 - Introduction

In light of the reports of the National Economic and Social Council (CNES), the national body legally authorized to publish studies, opinions, and proposals related to human development in the Official Journal of the Algerian Republic, Algeria is improving its global ranking in the human development index, According to the same National Authority's report for the period 2013-2015, the problem of youth unemployment and non-permanent job opportunities is the most significant impediment to reaching the highest levels of the index(CNES, 2013-2015).

The lack of development indicators at the state or local level adds to the difficulty of investigating the topic of development disparity in Algeria, which is especially obvious when dealing with the poverty rate in Algeria (MOKDAD, 2018), which is a guide connected to human development. (The area in which Algeria is located) due to problems with data gathering on purchasing power(United Nations, 2010).

Data from a household consumption survey conducted in 2010 and 2011 was used to estimate wellbeing levels in Algeria and was released in 2017. The percentage of people living in extreme poverty is projected to be 0.5 percent of the overall population. (or roughly 170,000 persons with a daily income of less than \$1.90). According to 2011 purchasing power parity, the poverty line is \$ 3.10 per person per day; the same rate was calculated at 3.3 percent. Surprisingly, the statistics revealed that urban regions had greater rates of severe poverty than rural ones (PNUD, 2017)

Identifying the extent of the notion of "human development," its dimensions, and the mechanisms for evaluating its progress in time and space, as well as its extension to geography, is required before touching on the actuality and obstacles of development in Algeria, or, to put it another way, creating the theoretical groundwork for the following phase, which will be based on comparison and assessment. The concept's ideas and sediments impose the contemporary world reality.

In light of a huge multinational effort, the UN Program for Human Development is dedicated to monitoring its implementation across the world, aided by other international organizations. (the World Bank and the FAO), and to integrate within the plan an Algerian national commitment to consolidate the "social character of the state and safeguard the social benefits obtained since independence"(WORLD BANK, 2017), In the

international arena, Algerians are debating the question of human development, or, to put it another way, what Algeria has achieved within the confines of "human making" since 1962 is the result of a statistical reflection and scientific analysis of a series of policies.

It is a step toward touching the fruits of such successes on the non-material level of economic quality, education, health, and other intangible elements in Algeria, as opposed to just listing the material successes that won over-evaluation in general. The fundamental institutions of health care, schools, and food assistance provide a material picture that aids human growth, but allocating these resources in an inequitable manner may generate social disparities and a large class of people in need.. As a result, it is unrealistic to judge the progress of a modern state like Algeria by looking at a list of built facilities and structures without taking into account the consequences of the latter on the population's living standards.

According to the information presented above, fulfilling the research goals requires a solution to the following question: How can the reality of human development in Algeria be evaluated in light of worldwide experiences?

The current issue arose in light of the support in Algeria's political and media arenas for a set of proposals, perhaps self-evaluations that have lacked the scientific touch since independence, as some place Algeria among the world's most affluent and human development countries. Without their statement being accompanied by data And statistics for supporting this proposition. Perhaps some isolated percentages and values are the starting point for the discourses of these national political organizations or parties.

It is self-evident that no other country has had similar experiences to Algeria since independence (Human Development Report,, 2010). People and countries differ in terms of their situations and growth pathways. Gaps are created by culture and history, and the present effort aims to provide a diverse range of experiences that may be regarded as harmonious.

2- A description of the index's operating processes through descriptive statistical interpretation of Legatum data

The Legatum Prosperity Index (PI), which is made up of 9 sub-indicators or progress drivers, was used to address the first hurdles. Despite incomplete assessments of the technique utilized, one of the strong aspects of this indicator is the comprehensiveness and collecting of data in most nations throughout the world from 2007 to 2016.

The creators tweak and enhance the data collection procedures on a regular basis, including the combination of factors, which climbed to 104 in 2016. A collection of academic specialists and specialized specialists, each in their own professions, worked together to sort this block of data. This will be aided by the necessary statistical tools. The enhancement had an impact on geographical coverage, which increased from 142 to 149 nations within the same time period.

The weighting also played a role in the index-building method, with weights for variables ranging from 0.5 to 1.5 to 2, with theoretical and experimental studies on the determinants of material and moral riches being merged to generate those weights. Recognizing the presence of factors with scientific validity and a stronger relation to prosperity compared to other factors, and was chosen as a first step, followed by an examination of the autonomous institution's broad lines and orientations, as well as expert and academic judgments.

The general table proposes another type of classification related to the partial results of each axis, so recording a significant (or minor) point may have an axis or some specific axes behind it, in addition to the classification of countries according to the degree of prosperity, which is calculated by the average scores of the nine axes. Despite certain commonality, the routes varies from nation to nation, and to obtain a high degree of prosperity, a combination (balanced or not) of the axes must be attained.

The success of Singapore, the United States, and Japan to very high levels despite low levels of personal liberties, security, and social capital, respectively, is the most illustrative of this theory. The outcomes are listed in Table No. 1.

Three nations with convergent arrangements on the prosperity ladder were represented in the table, but their paths to achieving a place among the

world's twenty most successful countries were distinct. When it comes to the United States, it should be noted that the two axes of the business environment (1) and education (7) were the main pillars for recording this progress, while the axes of security (60) and health (34) are the two axes that can be improved, and without them, it would not have been able to place among the top ten countries.

Table N°1: drivers and inhibitors of progress in some of the 20 countries.

The axes	USA	Singapore	Japan
Overall arrangement	18	17	23
the health	30	2	4
Personal freedoms	28	97	46
Security	60	1	4
Business environment	1	6	22
Social capital	9	26	101
Economy quality	10	2	23
Education	7	6	18
The environment	34	11	43
Governance	20	17	18

Source: Prepared by the researcher based on the general data table, link: <https://www.prosperity.com> (consult on December 18, 2018)

Unlike the United States, Singapore was able to score first in the axis of security and second in economic quality, but personal liberties (97th position) and social capital (26th place) led to the East Asian country's drop to 17th position in the overall ranking. (Legatum Institute, 2017)

In Japan, the two engines of progress were likewise distinct. Japan's fourth-place finish in the world for health and security included the axes of social capital, personal liberties, and the environment, where it placed 101, 46, and 43, respectively.

3 - List of countries selected for the statistical comparison

After the elimination of some countries for different reasons, resulting in the "guided selection" of 19 nations. Certainly, subjectivity emerges as a result of this step, which is inevitable given the nature of the process:

- First, the exclusion of Western Europe, North America (except Mexico, Australia and New Zealand), Northern and Western Europe, Japan, China and India, and Russia, due to the inability to make an objective comparison between these countries and Algeria for various reasons such as the civilizational distance that separates them from Algeria and which can reach 3.000 years. These countries have made significant strides towards development, unlike Algeria, which only gained independence in 1962, while the United States as an example was founded in 1776.
- Second, with the exception of the South African experience and the countries of North Africa. During the reference period, Sub-Saharan Africa did not show significant progress, as most of its regions remained a scene of civil wars and instability for many years (the Congolese War 1960-1965, for example, The Civil War in Chad (1965-1979), the Libyan-Chadian Conflict (1978-1987), the Civil War in Mozambique (1975-1992) and the Civil War in Angola (1975-2002), the War in South Sudan and the war between Uganda and Tanzania

The second-row nations formed after filtering the list of grade nations first and third, and they are the closest group of Algerian experience. It was an objective in itself to have access to the greatest amount of various experiences that were geographically distant (placed on various continents) during the twentieth century, The remaining countries, with the exception of Portugal and Spain, the only colonial countries, did not make an appearance on the international stage throughout the twentieth century, but most of them were under the weight of colonialism..

Each of these nations has a distinct shape that differs from the rest of the nations, and owing to the number of nations exceeding 19 and the presence of sufficient variation in the sample units, it was possible to add countries such as Iran, Argentina, Pakistan, Indonesia, Saudi Arabia.

Table N°2: Division of the sample countries according to their geographical affiliation

Continent	Countries
Europe	Bologna, Bulgaria, Greece, Spain, Ireland, Portugal
Africa	Tunisia, Morocco, Algeria, Egypt, South Africa
Asia	Malaysia, South Korea, Turkey, Jordan
Latin america	Chile, Venezuela and Peru, Mexico

Source: Prepared by the researcher.

With the exception of Libya, the sample includes Algeria's neighboring nations represented in North African nations. Despite their divergent growth routes, culture, religion, and shared history are variables that allow for a valid comparison. Especially when it comes to southern European nations such as Bulgaria, Greece, and Spain. Portugal, countries that, in the 1980s, remained somewhat disconnected from what was going on in northern and western Europe in terms of economic and social developments, and Poland, too, continued to follow the Soviet model to achieve the desired prosperity, resulting in a significant development gap between it and its Western neighbors more than ever before.

The development experiences in Latin America also witnessed restlessness, as they did not go in the same direction as the wheel of development in the West (the United States of America and Urea) despite the natural capabilities possessed and its independence from Spain for more than a century (Chile 1818, Peru 1821, Venezuela 1811, Mexico 1824), however, Latin America has continued to suffer poverty during many years (United Nations Department of Economic and Social Affairs, 2017) of time, and the Latin American countries are the closest mentalities to North Africa from among the regions of the world, if we exclude the Arab and Islamic countries, it is a land that for many years remained under the control of the European colonialist.

4 - CAH application

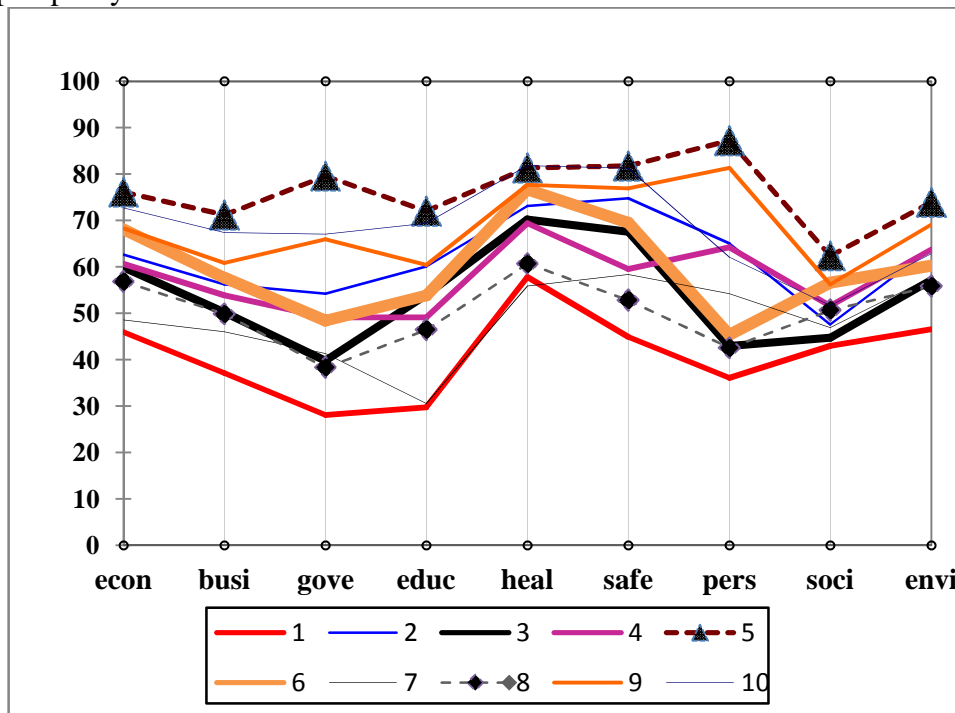
One of the important statistical methods used in classification is the Cluster Analysis Method (CAH) that relies on analyzing specific variables, the latter in turn based on points of similarity and difference between the data (SAPORTA, 2006).

The taxonomic analysis is classified within the statistical areas related to observation (Exploration Method) without foresight. It allows the division of a particular statistical community or data block into a set of statistically consistent and converging categories (clusters), among the focal points necessary for the proper functioning of the technology:

- ✓ Each cluster must contain at least one component.
 - ✓ During application, each element must belong to one cluster at most
 - ✓ The technology can detect the anomalies and inconsistent with the studied data cloud
 - ✓ The technique can be used even on a limited sample (three components)
- Characteristics of the sections emanating from the CAH

Relying on the aforementioned technology to pass to a clearer and more accurate taxonomic view is so important that the user can automatically determine the number of sections and then pass to the analysis stages. The current part aims to launch a significant number of sections (10) and then group them to the goal of reaching two parts.

Figure N°1: The specifications of the ten sections according to the axes of prosperity LEGATUM



Source: Prepared by the researcher.

Table N°3: Specifications of the ten sections according to the Prosperity Axes for LEGATUM

sections	1	2	3	4	5	6	7	8	9	10	
Number of countries	13	16	16	31	17	11	20	9	10	6	
Variation with in sections	471,582	178,959	249,442	313,017	110,446	214,760	308,849	303,212	200,955	313,906	
The 19 countries sample	AFG	ALB	DZA	RWA	ARG	AUS	BHR	BEN	CMR	CRI	CZE
	AGO	BGR	ARM	ZAF	BLZ	AUT	IDN	BFA	EGY	CYP	HKG
	BDI	CHL	AZE	SUR	BOL	BEL	KWT	COM	IRN	EST	KOR
	CAF	HRV	BGD	TTO	BWA	CAN	MYS	COG	KEN	FRA	JPN
	TCD	GEO	BLR	TUR	BRA	DNK	MNG	ETH	LAO	MLT	SGP
	COD	GRC	CHN	ZMB	KHM	FIN	OMN	GAB	NGA	MUS	
	IRQ	HUN	DJI	PHL	COL	DEU	QAT	GIN	UGA	PRT	
	LBY	ITA	JOR	NIC	DOM	ISL	SAU	CIV	UKR	SVN	
	MRT	LVA	KAZ	PAN	ECU	IRL	LKA	LSO	ZWE	ESP	
	PAK	LTU	LBN	PRY	SLV	LUX	THA	LBR		URY	
	SDN	MKD	MDA	PER	GHA	NLD	ARE	MDG			
	VEN	MNE	MAR		GTM	NZL		MWI			
	YEM	POL	RUS		GUY	NOR		MLI			
		ROU	TJK		HND	SWE		MOZ			
		SCG	TUN		IND	CHE		NER			
		SVK	VNM		JAM	GBR		SEN			
					KGZ	USA		SLE			
					MEX			SWZ			
					NAM			TZA			
				NPL			TGO				

Source: Prepared by the researcher.

5- Results and discussion

Depending on the results obtained in the two previous figures, it is possible to comment on the contents of the ten sections as follows:

- **Section (1):** low-performing countries (the lowest out of the ten sections). Most of them include countries of sub-Saharan Africa, Iraq, Yemen, and other Middle Eastern countries afflicted by conflicts and political unrest.
- **Section (2):** With the exception of Chile and Italy, eastern European nations dominate this division, which enjoys a reasonable degree of prosperity. these countries did not know progress and renaissance until recently and live a kind of liberation from the old Soviet communist system, some of them joined the European Union (Bulgaria, Croatia, Romania) and some of them are planning to do this, such as Montenegro, Albania, It is undeniable that the economy, degree of freedom, and governance lag below those found in Western Europe; it is also worth noting that Italy is the only Western European nation included in this section.
- **Section (3):** Countries of different geographical affiliations, and with unstable and low performance, including a bloc of the former soviet union and newly independent states: Moldova, Kazakhstan, Turkmenistan, Russia, Armenia, Azerbaijan, in addition to two world powers, the first military, which is Russia and the second demographic and economic is china. It is worth noting that the countries of the Maghreb: Tunisia, Algeria, and Morocco in addition to Jordan and Lebanon are in the same section, perhaps with the exception of Vietnam, which in the language of reality belongs to the tenth section, Bulgaria for the second section, and Tunisia and Morocco which are open to more in the west than in the east, the rest of the countries are all of the historical extension of the old soviet union.
- **Section (4):** Includes the largest number of countries (31 countries), the majority of countries from Latin America and Central America,

with Spanish and Portuguese culture, with the presence of some African countries that have witnessed a leap in all areas during the last decade, including Rwanda, Zambia, Botswana, South Africa, Ghana and Namibia plus India, Cambodia and the Philippines from East Asia, the only exception is made by Turkey, as it does not belong to any sub-group of the section

- **Section (6):** It includes mostly the gulf oil states, which have a great capacity to finance infrastructure projects in the fields of health and education, without paying attention to governance matters and the moral rights of individuals. The presence of Indonesia, Thailand, and Mongolia in the same list may be due to the similarity of governance patterns in these countries with progress slight in the field of the economy for these two countries.
- **Section (7):** The list includes a group of homogeneous and many African countries. As for prosperity, it is higher than its African counterpart in the first section, but it remains behind in terms of health and is the most degraded in this axis compared to the rest. In certain parts of the African countries (first, seventh and eighth), it is certain that the levels are not equal, but they remain at the bottom of the ranking.
- **Section (8):** This is the most prosperous of the three sections dominated by African countries (1,7, and 8), it is a mix of African countries with large populations, such as Egypt, Uganda, Cameroon, Kenya, and Nigeria, and Asian countries, such as Iran and Laos, as well as a country resulting from a breakup from the former Soviet Union (Ukraine)
- **Section (9):** Large European nations, led by France, Spain, and Portugal, dominate this section, which also includes countries with little history, such as Malta, the Morris Islands, Estonia, and Slovenia. This diverse group of nations illustrates the development made by certain countries, some of which did not exist 50 years ago.
- **Section (10):** It includes the east Asian countries with high effectiveness at all levels, with close culture, the countries of Japan, Singapore, South Korea, and Hong kong

5-1- Place of the sample countries and Algeria in the classification

Algeria belongs to the third section next to a group of similarly performing countries, including countries that were selected in the first phase, for example, Morocco, Jordan, Bulgaria, Tunisia, it is worth noting that countries such as China, Russia or the symbols of the eastern world to which Algeria has always belonged Because of the policies pursued since independence, belong to the same space as Algeria's prosperity.

There are many lessons from this application, the first section, which is the least advanced and includes countries that have lived or are experiencing resounding civil wars (Venezuela) is the worst example to follow.

By referring to the Irish model, it is as if we were answering the question: what should Algeria do to improve the level of prosperity? Ireland is only a typical example despite the big difference of culture between the two countries, as for Venezuela, it puts us before the question of what to avoid in order to envisage a better future.

The Venezuelan model might have also served as a model for education., of immersion in an unclear economic scheme (socialist, liberal ...) and an introverted system of government that draws on the revolutionary spirit of Hugo Chávez, which has proven its limits to satisfy the peoples of the twenty-first century, creating a wave of violence at all levels raised the limits of crime in the country and closed the doors of cooperation with the countries of Europe and North America, and this is what has worsened the conditions of this country which lives at the mercy of oil rents to achieve a low level of prosperity which places it among the countries of sub-Saharan Africa.

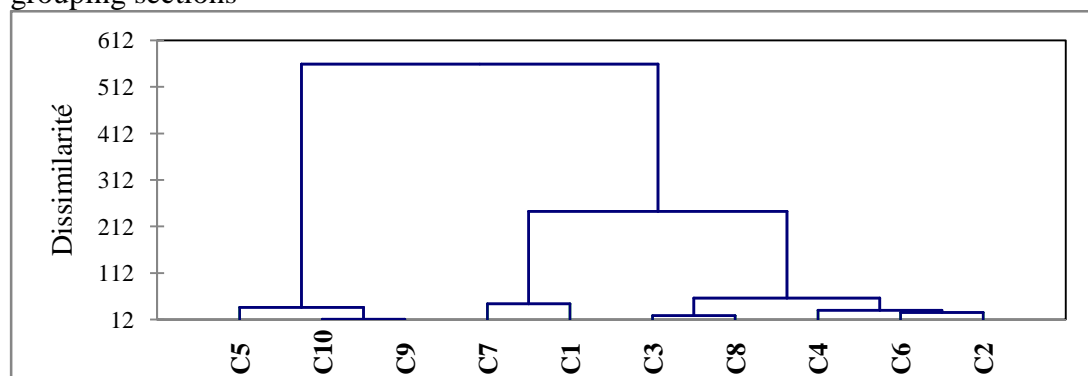
Turkey or some other successful model, maybe its level of prosperity could be higher if it achieves reasonable results in personal freedoms and governance, but considering both aspects of economy and environment business, Turkey is an "economic" ideal which has proved its efficiency in the face of a very competitive European market, which proves the volume of work carried out by Turkey during its transformation phase (1990-2010), under the slogan of economic and social take-off first, then the appeasement of individual freedoms. The positive and the lesson to be learned from the Turkish model is that with less individual freedoms, countries can achieve a high level of prosperity, and this is in Algeria's interest.

Faced with the ideal Irish model, the Venezuelan alarm bell and Turkish realism, we must move on to other samples of countries in the world, to collect more lessons. In this sense Mexico gives a partial answer, in this country lives nearly 55 million people in disadvantaged socio-economic conditions, although Mexico has reached the rank of the 12th largest economies in the world.

5-2- Compiling the sections with the dendrogram

CAH also gives information about the ability to group sections and the possibility of unifying two or more sections under one wing. It is noticed through the statement that the world is divided into two large groups, which are, on the one hand, the developed world or the first-grade countries grouped into departments (10), (9), and (5).

Figure n°2: Demonstration of the binary tree DENDROGRAM related to grouping sections



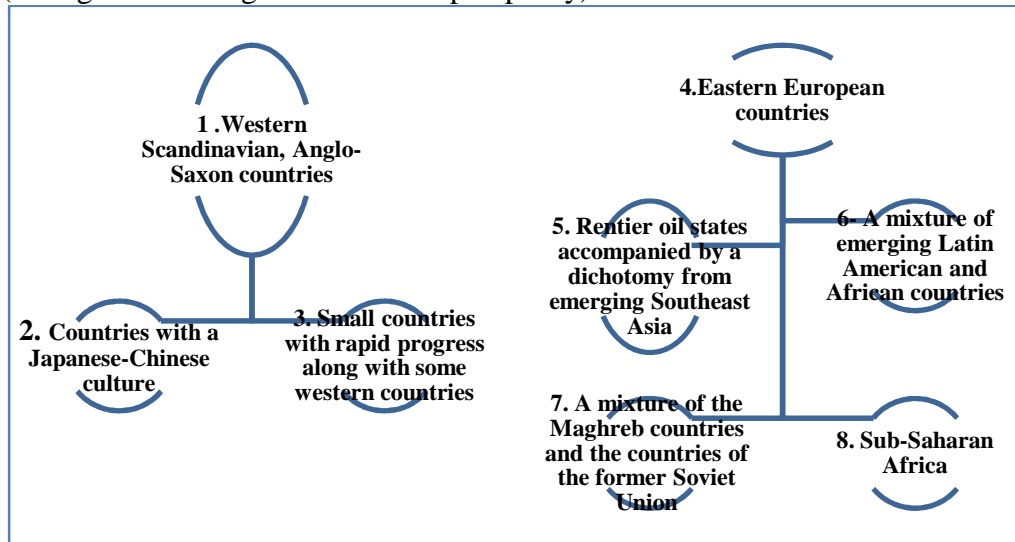
Source: Prepared by the researcher

Certainly, section (5) includes the strongest economies in the world giving it the rank of excellence, followed by section (10) and then to a lesser extent by section (9), and on the other hand, the world growing represented by the remaining sections: (1), (2), (3), (4), (6), (7) and (8)

As for the case of Algeria, the statement reveals the convergence that exists between Section (3) in which Algeria is located and Section (8) which includes a number of African countries, led by Egypt and Nigeria, the grouping between Sections (3) and (8) and in parallel with that between Sections (4), (6) and (2) and in a second step between all the aforementioned sections i.e. (3), (8), (4), (6) and (2) allows identification of the higher and closest forms of the third section to which they belong Algeria.

Geographical affiliation had a significant influence on the allocation of nations in the 10 sections, as most of the groups are geographically balanced (see figure 03), as summarized, Africa came last and the countries Scandinavian and Anglo-Saxon at the top of the ranking.

Figure n°3: Prosperity in the world according to geographical regions (arranged according to the level of prosperity)



Source: Prepared by the researcher

- Conclusion

It became clear that the model of prosperity in Algeria is close to a group of Eastern European and Maghreb countries, which did not adopt the same political options, nor the same economic trends, and did not possess the same capabilities. Mentioning the possibilities, comparing the budgets of the group's countries over the past ten years, puts Algeria in first row after the powers of China, Russia, and to a lesser extent, Vietnam, meaning that the 13 countries recorded close results with lower national budgets than Algeria, and this factor does not serve Algeria's results.

The triangle of individual freedoms, business environment, and social capital, on the other hand, was the dark spot in Algeria's results, despite the fact that the index employed is considered as Anglo-Saxon, that is, it emphasizes economic and personal freedom criteria over the rest.

From the results of the study, it is possible to propose some elements for the future of prosperity in Algeria, and to present what is called the roadmap for a future of sustainable development:

- First: liberate the economy from the effects of old Soviet socialism and modernize its mechanisms by seeking alternatives to the national investment base based on the distributions 49% for the foreign merchant and 51% for the local, linked to the establishment a modern and supportive banking sector.
- Second: liberate the media and the visual and written press to provide abundant information to individuals with transparency, professionalism and without restrictions, and work to improve the conditions of freedoms at all levels.
- Third: Unlocking the justice sector and allow it to be independent in order to move towards the rule of law and fight against financial and administrative corruption.

It is not possible to imagine a prosperous country without achieving even an average of the three preceding points of articulation; so much it is within the reach of the material and human potential of Algeria and does not require long-term planning or large material resources.

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