
Good governance in Algeria.....what's the reality?

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Abstract.

This research paper attempts to analyze the reality of governance in Algeria through a descriptive analysis of the worldwide governance indicators (WGI), which contain six sub-indices, each of them measure one of the dimension of the good governance(Control of corruption, government effectiveness, political stability and absence of violence, regulatory quality, rule of law, voice and accountability).The study found that the performance of Algeria in relation to these indicators still too low despite the Algerian government's adoption of many regulations aimed to strengthening the principle of the good governance.

Key words: *good governance; decision-making; corruption; Algeria.*

JEL classification codes: *G3, D7, D73.*

Résumé.

Cette recherche tente d'analyser la réalité de la gouvernance en Algérie à travers une analyse descriptive des indicateurs de gouvernance mondiale (IGM), qui contient six sous-indices, chacun mesurant l'une des dimensions de la bonne gouvernance (Lutte contre la corruption, efficacité de la gouvernement, stabilité politique et absence de violence,la qualité de la réglementation, état de droit, voix et responsabilité). L'étude a révélé que la performance de l'Algérie par rapport à ces indicateurs était encore trop faible malgré l'adoption de nombreuses réglementations par le gouvernement algérien, visant à renforcer le principe de la bonne gouvernance.

Mots clés : *la bonne gouvernance; la prise de decision; la corruption; Algerie*

Codes de classification JEL: *G3, D7, D73*

1. Introduction:

The various world economic crises and financial collapses have improving the important role of governance in overcoming these crises, whereas most of them were due to the widespread of corruption phenomenon, lack of supervision and transparency, addition to non-compliance with laws and legislation.

The current research paper attempts to shed light on the reality of governance in Algeria through a descriptive analysis of its most important indicators in Algeria in order to know Algeria's position among countries regarding worldwide governance indicators (WGI) and taking the necessary measures to achieve the objective of good governance.

2. Governance and good governance meaning:

Recently, the term «governance» and «good governance» are being increasingly used in development literature. Governance is not a new term; it is as old as human civilization. There have been many definition of governance, it is simply means:

- The process of decision –making, and the process by which decision is implemented or not implemented (UNESCAP, 2009)
- The tradition and institutions by which authority in a country is exercised 5(Kaufmann & all.2010, p03).
- It is the sound exercises of political, economic, and administrative authority to manage a country's resources for development, it involves the institutionalization of a system through which citizen, institutions, organizations, and groups in a society articulate their differences in pursuit of the collective good (Asian development bank, 2005).
- It refers to how much organization, including a nation, is run. it includes all the processes,systems,and control that are used to safeguard and grow assets (United development programs,1997).

We distinguish between:

The Economic governance: includes decision-making processes that affect a country's economic activities and its relationship with other economies.

The Political governance: includes decision-making processes to formulate policy

The Administrative governance: is the system of policy implementation.

By encompassing all three, the good governance defines: «the process and structure that guide political and socio-economic relationship».

The good governance has major characteristics; it is participatory, consensus, oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law (UNESCAP, 2009).

The World Bank with the effort of (Kaufmann& all, 2010) had produced a composite index compiled from sub-indices produced by 31 competent authority in this field, it was covered more than 200 countries in the world since 1996.This indicators is called: worldwide governance indicators (WGI), which contains six sub-indices, each of them measured one of the dimensions of the good governance.

Graph 1. The good governance characteristics

Source: UNESCAP, «what is governance».retrieved from:



<http://unescap.org> (consulted on 03/07/2018 at 19h00).

3. **Worldwide governance index(WGI)**(Kaufmann& all, 2010):
 3. 1. **Control of corruption (cc):** capturing perceptions of extent to which public power is exercised for private gain, including

both small and big forms of corruption, as well as «capture» of the state by elites and private interests.

3. 2. Government effectiveness (GE): capturing perceptions of the quality of public services, the quality of the civil services and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

3.3. Political stability and absence of violence (PS): capturing perceptions of the likelihood that the government will be destabilized or over thrown by unconstitutional or violent means, including politically-motivated violence.

3.4. Regulatory quality (RQ): capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

3.5. Rule of law (RL): capturing perceptions of the extent to which agents have confidence in and abide by the rule of society, and in particular of contract enforcement, property rights, and the likelihood of crime and violence.

3.6. Voice and accountability (VA): capturing perceptions of the extent to which country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

4. Governance index: a case study of Algeria

International indicators are a major input in policy making and decision making as these indicators is an important reference for countries in determining the most appropriate countries to implement their activities in the investment field and making the right decision, granting loans...etc, it is a universal impression of the state (Jordan ministry of public sector development report, 2015, p02).Among them:

4. 1. Voice and accountability index (VA):

As we mentioned earlier (see section3), this index measure the extent to which country's citizens are able to participate in selecting their government. For this indicator, countries are ranked on a 100 degree scale. Table (01) shows the evolution of this indicator in Algeria during 1996-2017.It is noted that there is a relatively proportional gap in Algeria ranking (less than 30%) despite the increase and

decrease in this index, where the highest percentage for Algeria was 25.48% in 2005, while the lowest one was 12.44% in 1998(see line 02 in table 01 and fig02).

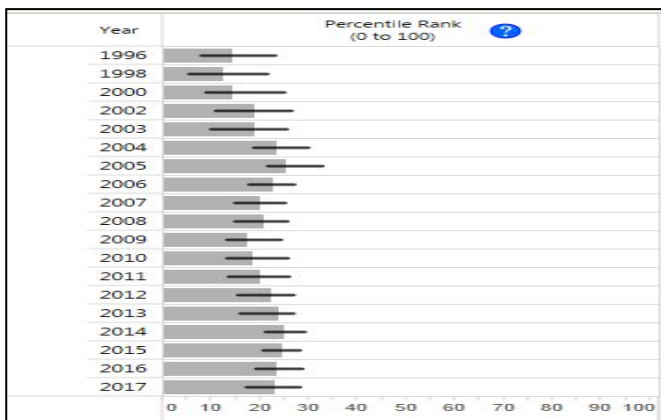
Table 1. Voice and Accountability: Algeria ranking

Years	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PR(0 to100)	14.5	12.44	14.43	18.91	18.91	23.56	25.48	22.60	20.19	20.67	17.54	18.48	20.19	22.54	23.94	25.12	24.63	23.65	23.15
GS(-2.5to+2.5)	-1.17	-1.24	-1.11	-1.04	-1.08	-0.80	-0.72	-0.92	-0.98	-0.98	-1.04	-1.02	-1.00	-0.91	-0.89	-0.82	-0.84	-0.86	-0.90

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (retrieved from: info.worldbank.org consulted on 14/10/2018 at 22h19).

NB: PR: percentile rank.GS: governance score

Graph 2. Voice and Accountability index graph for Algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (See line 3in table 01), There is a disparity in the performance of the Algerian government during the

period under study, where the high positive performance reached a percentage of (-0.72) in 2005, while the lowest negative one reached a percentage of (-1.24) in 1998.

4. 2.Political stability and absence of violence index(PS):

As we mentioned earlier (see section3), this index measure the likelihood that the government will be destabilized or over thrown by unconstitutional or violent means, including politically-motivated violence(Kaufmann& all,2010,p06).For this indicator, countries are ranked on a 100 degree scale. Table (02) shows the evolution of (PS) index in Algeria during 1996-2017.It is noted that there will be relatively political stability, the highest level of (20.39%) in 2005, while it reached the lowest level of (4.79%) in 1998, this latter can be traced back to the black decade that Algeria experienced during the 1990's, which led to political and security instability in that period (see line 2 in table 02 and fig03).

**Table 2. Political stability and absence of violence:
Algeria ranking**

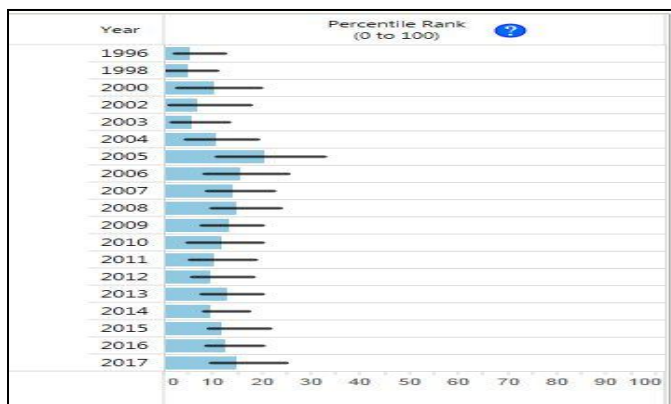
Years	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PR(0 to100)	05.32	04.79	10.5	06.88	05.53	10.68	20.39	15.46	14.01	14.90	13.27	11.85	10.43	09.48	12.80	09.52	11.90	12.38	14.76
GS(-2.5to+2.5)	-1.78	-1.88	-1.43	-1.63	-1.75	-1.36	-0.92	-1.13	-1.15	-1.09	-1.20	-1.26	-1.36	-1.33	-1.20	-1.19	-1.09	-1.10	-0.96

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (.retrieved from: info.worldbank.org consulted on 14/10/2018 at 22h19).

NB: PR: percentile rank.GS: governance score.

Graph3. Political stability and absence of violence

index graph for Algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (see line 3 in table 02), there is a disparity in the performance of the Algerian government during the period under study, where the high positive performance reached a percentage of (42.65) in 2005, while the lowest negative one reached a percentage of (1.88) in 1998.

3. 3.Regulatory quality index (RQ):

As we mentioned earlier (see section3), this index measure the ability of the government to formulate and implement sound policies and regulations that promote private sector development. Table(03) shows the evolution of (RQ) index in Algeria during 1996-2017,itn is noted that there is little decreasing progress in this index in the period under study, from (42.65%)in 2005 to (10.58%) in 2017,it reached the lowest percentage in 2014(8.17%)(see line 2 in table 03and fig 4).This indicate that there is still a shortage with regard to this indicator, the Algerian government should exert more effort to support the private sector through the formulation of effective policies and regulations that will help the development in this sector because of its important active role in the economic activity.

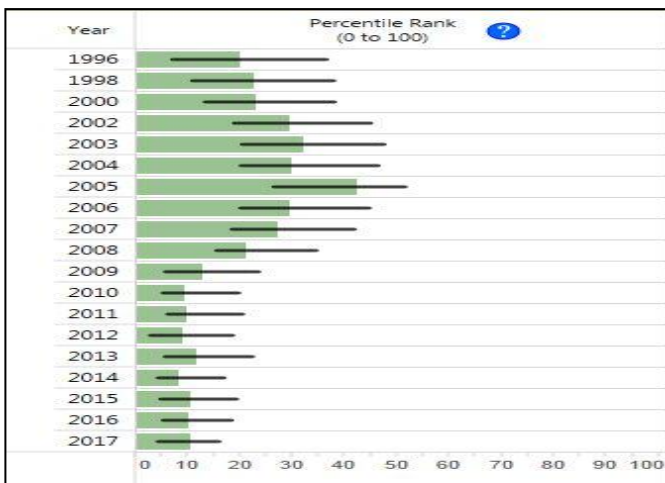
Table 3.Regulatory quality index: Algeria ranking

Years	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PR(0 to100)	20.11	22.80	23.08	29.59	32.14	30.5	42.65	29.41	27.18	21.36	12.92	09.57	9.95	09.00	11.85	08.17	10.58	10.10	10.58
GS(-2.5to+2.5)	-0.91	-0.74	-0.71	-0.58	-0.52	-0.54	-0.38	-0.57	-0.62	-0.79	-1.07	-1.17	-1.19	-1.28	-1.17	-1.28	-1.17	-1.17	-1.20

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (.retrieved from: info.worldbank.org consulted on 15/10/2018 at 10h55).

NB: PR: percentile rank.GS: governance score

Graph4. Regulatory quality index graph for Algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (see line 3 in table 03), there is a disparity in the Performance of the Algerian government during the period under study, where the high positive Performance reached a percentage of (-0.38) in 2005, while the lowest negative one reached a percentage of (-1.28) in 2014.

4.4. Government effectiveness index(GE):

As we mentioned earlier (see section3), this index measure the perceptions of the quality of public services, the quality of the civil services and the degree of its independence from political pressures, the quality of policy formulation and implementation. Table(04) shows the evolution of (GE) index in Algeria during 1996-2017,it is noted that there is a relatively proportional gap in Algeria ranking (less than 40%) despite the increase and decrease in this index, where the highest percentage for Algeria was (39.22%) in 2005,while the lowest one was(13.11%) in 1996(see line 2 in table04 and fig5).The increase in the quality of the services provided by the Algerian government in 2005 can be explained by the fact that the Algerian government has adopted a series of programs since 2005in order to achieving economic development and public benefit as well as: the supplementary program to support growth (2005-2009)and the social development program(2010-2014).

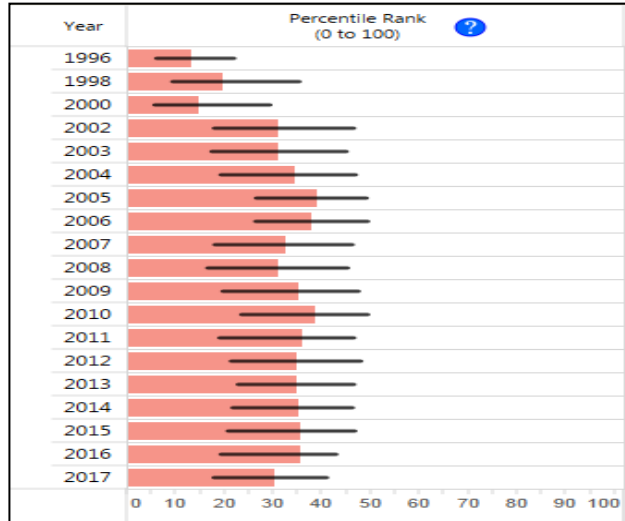
Table4. Government effectiveness index:Algeria ranking

Years	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PR(0 to100)	13.11	19.69	14.87	31.12	31.12	34.48	39.22	38.05	32.52	31.07	35.41	38.76	36.02	35.07	35.07	35.10	35.58	35.58	30.29
GS(-2.5to+2.5)	-1.09	-0.83	-0.96	-0.60	-0.61	-0.57	-0.47	-0.47	-0.57	-0.63	-0.58	-0.48	-0.56	-0.53	-0.53	-0.48	-0.50	-0.54	-0.60

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (retrieved from: info.worldbank.org consulted on 15/10/2018 at 22h00).

NB: PR: percentile rank.GS: governance score

Graph5. Government effectiveness index graph for algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (see line 3 in table 04), there is a disparity in the Performance of the Algerian government during the period under study, where the high positive Performance reached a percentage of (-0.47) in 2005-2006, while the lowest negative one reached a percentage of (-1.09) in 1996.

4.5.Rule of law index(RL):

As mentioned in section 3, this index measure the perceptions of the extent to which agents have confidence in and abide by the rule of society, and in particular of contract enforcement, property rights, and the likelihood of crime and violence. Table (05) shows the evolution of (RL) index in Algeria during 1996-2017,it is noted that there is a rise of this index from 2002 to 2004(within30%) to come back in the rest of the years(within 20%) until 2013's where the ratio reached 30.99% (see line 2 in table 05 and fig6).

The increase in this index indicates an increase in the dealers confidence that the algerian government applies rules equally among all individuals and organization,which helps to bring confidence between the government authorities , private sector and

individuals, which in turn help to support investment and create the right environment for it.

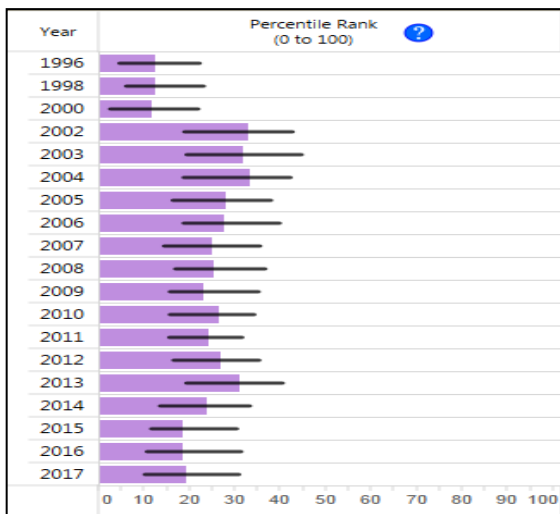
Table5. Rule of law index:Algerai ranking

Years	PR(0 to100)	GS(-2.5to+2.5)
1996	12.56	-1.22
1998	12.50	-1.16
2000	11.88	-1.21
2002	33.17	-0.63
2003	31.68	-0.59
2004	33.49	-0.62
2005	28.23	-0.75
2006	27.75	-0.71
2007	24.88	-0.77
2008	25.48	-0.74
2009	23.22	-0.79
2010	26.54	-0.78
2011	24.41	-0.81
2012	26.76	-0.77
2013	30.99	-0.69
2014	24.04	-0.77
2015	18.75	-0.87
2016	18.75	-0.86
2017	19.23	-0.86

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (.retrieved from: info.worldbank.org consulted on 15/10/2018 at 22h00).

NB: PR: percentile rank.GS: governance score.

Graph6. Rule of law index graph for algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (see line3 in table 05), there is a disparity in the Performance of the Algerian government during 1996-2017, where the high positive Performance reached a percentage of (-0.59) in, 2003 while the lowest negative one reached a percentage of (-1.22) in 6.

4.6.Control of corruption index (CC):

This index (as mentioned in section3) captures perceptions of extent to which public power is exercised for private gain, including both small and big forms of corruption. Table (06) shows the evolution of this index in Algeria during 1996-2017, it is noted that there is a fairly consistent relative development, as percentage not more than 40%(see line 2 in table06 and fig7), which means the widespread of corruption phenomenon somewhat in Algeria .The Algerian government is striving to combat this phenomenon as evidenced by the procedures and measures regarding the scandals witnessed by various sectors recently.

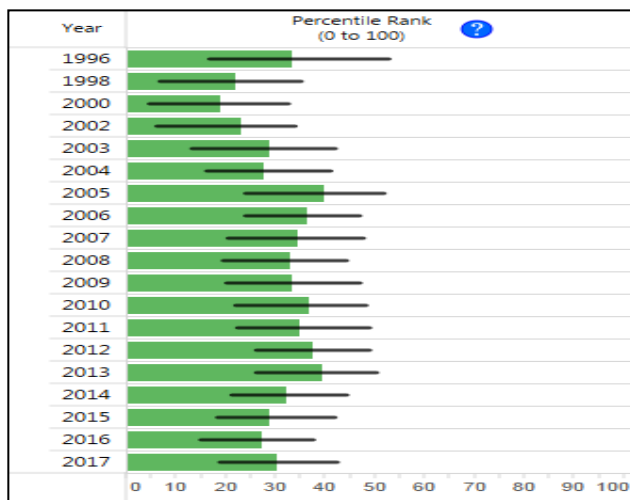
Table6. Control of corruption index: Algeria ranking

Years	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PR(0 to100)	33.33	22.16	18.78	23.23	28.79	27.80	40.00	36.59	34.47	33.01	33.49	36.67	35.07	37.44	39.34	32.21	28.85	27.40	30.29
GS(-2.5to+2.5)	-0.57	-0.88	-0.94	-0.88	-0.69	-0.68	-0.48	-0.52	-0.56	-0.59	-0.58	-0.52	-0.54	-0.50	-0.47	-0.60	-0.66	-0.69	-0.61

Source: worldwide governance indicators (WGI), 2018, interactive data access, table view (.retrieved from: info.worldbank.org consulted on 15/10/2018 at 22h00).

NB: PR: percentile rank.GS: governance score.

Graph7. Control of corruption graph for algeria



Source: worldwide governance indicators (WGI), 2018, interactive data access, graph view.

In term of the governance quality (see line 3 in table 05), there is a disparity in the Performance of the Algerian government during 1996-2017, where the high positive Performance reached a percentage of (-0.47) in 2013, while the lowest negative one reached a percentage of (-0.94) in 2000.

5. Conclusion:

Through our current study of the good governance reality in Algeria, and through the worldwide governance indicators review-Algeria case study-we can said that despite the Algerian government's adoption of many regulations aimed at strengthening the principle of good governance ,the performance of Algeria in relation to these indicators still too low ,despite the efforts exerted by the Algerian government in this area, so the real application of these regulations have to increase the government effectiveness ,achieving the regulatory quality, and fighting corruption phenomenon, as it must to enhance the participation of the private sector and citizens in the management of state affairs and in decision-making ,which will enhance voice and accountability.

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