

ALGERIAN NATIONAL ECONOMIC AND SOCIAL COUNCIL

Questionnaire

Indicators of progress

Please inform us of the work, opinions and reports that you are carrying out or producing or have carried out or produced, by replying to the questions below

A) Progress made on work on the themes of progress, development and well-being

1) Which work, reports or other contributions have been carried out or produced in your country on the following themes?

. Progress

Since 2000, Algeria has achieved average annual growth of 6%, excluding hydrocarbons. This progress is the result of a strategy based on the development of infrastructures, modernisation of plant and equipment, development of the service sector, of information and communication technologies, and on human development as a result of systematically taking into account social and collective needs (health, education, housing, employment, the fight against poverty). Naturally, these different parameters are evaluated periodically.

The indicators used for measurement are related to total and *per capita* GDP through the traditional growth rate measured for the whole economy and by sector. These are supported by the annual balance sheets and the social and economic reports of the sectors and institutions. The NESOC itself publishes a half-yearly economic report and an annual national social and economic overview.

One of the objectives set is to improve and strengthen the collection of statistical data in order to regionalise economic growth and obtain infra-annual indicators. The main statistical surveys on demography, employment, health, education, housing, etc. take account of the regional dimension in order to produce more detailed aggregates for planning, monitoring and evaluation purposes. This information also makes it possible to classify the municipalities (*communes*) in order to support the equalisation funds paid by the State.

. Well-being

The indicators of well-being are measured both in relation to levels of satisfaction of social demand and in relation to the gaps observed in terms of needs and income between population groups. These indicators take account of populations' levels of access to basic public services (access to health services, supply of drinking water, gas and electricity services, etc.).

Differentials in sustainable human development between the territories and their sub-divisions

are being established within the framework of the National Report on Human Development (NRHD) in order to report the disparities which may exist between population groups and social groups in terms of access to these services.

The setting up of a poverty oversight committee makes it possible to have more refined indicators available and to monitor changes in populations' standards of living.

. Quality of life

Two publications are produced regularly:

- The National Report on Human Development (NRHD)
- The Millennium Development Goals evaluation report

The annual publication of the NRHD provides a view of human development through the Human Development Index and the associated HDI indexes, these being the Human Poverty Index (WH) and the Gender-Specific Human Development Index. These evaluations provide a range of perspectives on the evolution of public policies on education, health, housing, the fight against unemployment and poverty with regard to the target populations.

The Human Development Index is an indicator of social progress. It is a composite indicator of human development that makes it possible to put a figure on the average level of a country's development with reference to three essential dimensions: longevity, health and environmental conditions. These three dimensions are combined in life expectancy at birth, education and access to knowledge, the adult literacy rate and finally the possibility of enjoying a decent standard of living (measured by GDP per head and expressed in purchasing power parity) through access to resources.

The associated indexes (fight against poverty and gender disparities) are based around dimensions of the fight against Human Poverty (HPI) and reducing the differences between the genders (GSHDI) and women's empowerment.

- The human poverty index refers to the deficits found in terms of longevity, access to education, access to treated water and nutrition.
- The Gender-Specific Human Development Index measures inequalities between men and women; it is a measure of human development that adjusts the HDI in order to take account of the differences between men and women under the three pillars of the HDI: health and longevity, the ability to read and write, and access to resources.
- The Gender Empowerment Measure relates more specifically to activity, unlike the GSHDI, which relates to well-being. In this area it takes account of three dimensions: participation in political life and decision-making, participation in economic life and decision-making, and control of economic resources.

It should be noted that the human development reports have been based, each year, on specific themes, such as human capital, the Millennium Development Goals, the Nation's social budget, humanitarian mine clearance, etc. Calculation of the indicators is based on national data produced by the national statistics system and delivered to international standards, and on the calculation protocols validated by the UNDP's experts.

The Millennium Development Goals evaluation report is aligned to the standards issued by

the international institutions, including the measurements of the 8 goals. The most recent report is the mid-term millennium goals report.

. Sustainable development

Numerous reports on sustainable development have been produced by different institutions, particularly the NESC and the Ministry for Land and Environment Management.

In its road map, the NESC has adopted the principle of producing an annual report on sustainable development, which reviews the quality of the growth, the quality of distribution and the preservation and enhancement of environmental resources. The first report of this kind has already been issued and a process of cooperation has been initiated with the World Bank in order to select relevant indicators for sustainable development and to calculate a synthetic index. The indicators in question are based on the work carried out and progress made in this area.

. Going beyond the simple logic of GDP

This measurement indicator must be refined and reconciled along general horizontal and vertical lines before we can envisage moving beyond it, although this issue is on our country's agenda. There are two obstacles:

- The capability and means of collecting statistics
- The replacement indicators which will be validated both by practice and the recommendations of the international institutions provided they prove to be feasible and provided a synthetic or composite indicator can be created.

We are currently more interested in providing impact indicators (in terms of target populations and the environment) rather than volume indicators. The reason for this is simple and has to do with the very large area occupied by the country and the uneven occupation of this space. In the same way, the development programmes of the last ten years and those of the next five years are very largely dedicated to overcoming the social deficits between regions and social groups, based on the minimum demandable thresholds of comfort in respect of defined standards (for example, the rate of occupation of housing) and having measures of progress.

. Relationship between social progress and individual conditions

Economic progress has meaning only if it has an impact at the social level and is accompanied by significant individual progress in terms of capabilities. Education for all, access to higher education and occupational training for all and the establishment of employment programmes that favour individual initiative and self-employment are some of the options adopted to make it possible to improve individual conditions.

The correlations between social progress and individual conditions lie in the change in the unemployment rate and the rates of school enrolment and access to higher education. For example, the rate of participation of girls in higher education is 131% of that of boys.

On the question of poverty, the option adopted consists of observing poverty through a double prism:

- Poverty according to the WBI indicators: the population living at the threshold of 1 dollar purchasing power parity per day/inhabitant, poverty at 2 dollars purchasing power parity per day/inhabitant, general poverty. All these indicators are based on a food consumption approach.
- Human poverty according to the vision of the UNDP represented by the Human Poverty Index (HPI) and its components; these components are the probability of not dying before the age of 40, illiteracy at 15 years of age and over and the weighted mean between access to treated water and weight deficiency of children below the age of 5.

These two approaches require up-to-date data from surveys of households' expenditure and consumption, demographic and sectoral statistics (health, water resources). We plan to carry out a household survey in this area during the course of this year.

. Relationship between the economy and use of natural resources

One of the aspects taken into account, at the level of measurement and of public policies, is energy efficiency. This has supported one of the greenhouse gas emission reduction objectives since a wide-scale energy-saving programme was put in place; the most recent is the energy refurbishment of housing. Conversion of factories to use natural gas, the construction of hybrid power stations (using both solar and natural gas). Also, a solar industry is in the process of being established. These parameters are measured and monitored by the organisations concerned. The proportion of clean energy is systematically calculated in energy audits.

. Taking account of environmental phenomena

The most recent piece of work delivered was the national report on climate change, produced under the auspices of the UNFCCC and the IPCC. Algeria is currently preparing its third communication in this area. The report in question is under the supervision of the NESCC, which has consulted the institutions but also solicited the opinions of the main actors in civil society (associations, NGOs, economic partners).

Numerous reports published with varying frequency are prepared by the central authorities and the institutions. This is the case for reports on air quality, on the management of household waste, on forest fires, on water quality, etc. An environmental observatory has been established. This observatory publishes a report on the state of the environment each year, using a range of criteria to draw comparisons over time.

The NESCC's national report on sustainable development deals with the environmental aspects using the concept of consumption of environmental resources and species reproduction in relation with biodiversity.

It is compulsory to take account of environmental phenomena in development project impact studies. A national standard has been created for this purpose and, according to the size of the project, takes account of the impact on flora, fauna, biotopes or the impacts on biological resources.

. Taking account of "community living"

The idea of community living can be understood in multiple ways in terms of public services,

access networks, the sharing of infrastructures, social protection, etc. Measurement indicators are available only for some sectors and situations. Work remains to be done as regards definitions, instruments and measurements.

. Access of populations to drinking water

The conditions of the population's access to clean water are measured regularly and in great detail. Public development programmes are partly focused on mobilisation and access of populations to water. Currently, at least 95% of the population is connected to the network or has access to a controlled water supply point situated less than 20 metres from their home.

A set of indicators is in place to evaluate populations' levels of access, the quality of the water distributed and the treatment of domestic and industrial waste.

. Access of populations to public services (education, health, transport, etc.)

These indicators are also closely monitored at different levels. The various indicators of the WHO, UNESCO, BIT, UNEP, etc. are taken into account and evaluated periodically through sectoral reports and standard evaluation grids. For indicators that are not standardised, such as infrastructures, the authorities establish annual and pluriannual comparisons to measure the progress achieved: rate of provision of drinking water, kilometres of road per inhabitant, postal service density, telephone service density, rate of use of ICT, internet penetration, etc.

2) Which themes are your ESCs currently working on relating to the measurement of progress, development and well-being?

The monitoring and evaluation of public policies aimed at well-being and continual improvement of the standard of living are covered by six themes that constitute the basis for the NESG's road map. These themes are: human development, knowledge-based economy, governance, poverty, sustainable development and economic freedoms.

These themes are complemented by fifteen *ad hoc* committees: food security, energy security, the demographic dynamic and social needs, health security, development of small and medium-sized enterprises, climate change, the national social and economic pact, etc.

The road map themes and the *ad hoc* committees' work are founded on indicator toolkits inspired by international institutions such as the UNDP, the WBI, the OECD, the African Development Bank, the African Union, the FAO, the WHO, etc. where the dimension being measured and the quantification are the preliminary vectors for any analysis.

The aim is also to put in place measurement, monitoring and evaluation indicators that draw on international standards, where these exist, or benchmarks appropriate to the different situations.

3) Which themes will your ESCs work on in the future relating to the measurement of progress, development and well-being?

Work will continue on the themes already mentioned with a strong focus on introducing in Algeria universal measures that have been validated by the international institutions and by the main centres of reference. Our Council is also seeking to put in place best practice in

evaluation and to work on the collection of data in order to have more refined information which will allow discriminatory qualitative analyses to be carried out.

The knowledge-based economy is another of the themes on which we are currently working. The knowledge economy index (KEI) is calculated on the basis of the average of the country's performance scores in the four pillars of the knowledge economy (economic incentives, education, innovation, and information & communication technologies). The knowledge index is the simple average of a country's performance in the **three (sic!)** pillars of the knowledge economy (education, innovation and information and communication technologies). These indexes are based on the 12 knowledge economy variables, which are: tariff and non-tariff barriers, the rules of law, the quality of the regulatory framework, the adult literacy rate, the rate of enrolment in secondary education, the rate of enrolment in higher education, researchers in R&D, patent applications, publications in scientific and technical journals, telephones, computers and internet service providers. To these variables are added the economic and social performance variables: GDP and HDI.

Volume 1 "L'économie fondée sur la Connaissance: Etat des lieux" (*The knowledge-based economy: Current Status*) in December 2008 was validated by the WBI experts and is therefore eligible for international report comparability. The second volume, "stratégies d'implémentation" (*implementation strategies*), is in preparation.

- 4) If you are not working on themes relating to the measurement of progress, development and well-being or have not yet envisaged the possibility of doing so, are you nevertheless interested in doing so in the near future? If so, on which subjects more specifically?

The issues relating to measures are important. The use of the heuristic resources available has allowed considerable progress to be made in the area of analysis. However, we must bear in mind the need to refine these analyses and we support the approach of bringing new visions of development. Without distorting or provoking a backlash, the detachment of questions of development from questions of growth also provides arguments in favour of structural changes. This is a practical matter, not a philosophical one, as it is directly connected to the progress of societies viewed from the angle of their social practices. This dimension calls into question the universal nature of the measures.

B) National interest in work in this area

- 5) What is the interest of your institution in the different themes relating to the measurement of progress, development and well-being?

Our Council is convinced of the need to move beyond quantitative measures, but without breaking with the existing reference frameworks. Nevertheless, it is necessary to keep in mind the operational feasibility of such approaches, which present serious difficulties in terms of parameter setting, aggregation, nomenclature and typology and which will have complex effects on the statistical apparatus and on conversion of the performance indicators of authorities and institutions.

What is needed is practically a whole new approach to calculating and accounting.

- 6) Which of the areas mentioned are of the most interest to you currently and in the future?

Sustainable development and measuring disparities in terms of standard of living and quality of life are major areas of interest.

7) What is the interest of civil society in the different themes relating to the measurement of progress, development and well-being? Do you feel there is strong demand from civil society to work on these questions?

Algeria has reached a critical threshold as regards the level of economic and social development which renders the quantitative measures currently used ineffective. The organisations of civil society share this concern as regards questions related to the standard of living, the environment and sustainable development.

C) Proposals for future work in the area of the measurement of progress, development and well-being

8) What are the main challenges and what are the main practical applications that you expect?

To have an adaptable reference system which is not tainted by ideological values or overrated measures.

In addition, we fully support the approach of recognising the acknowledged limitations of the traditional indicators and seeking to improve the reference criteria and the associated calculation protocols.

For example, the HDI has become ineffective firstly because it measures situations and not progress and secondly because it stigmatises countries that are blacklisted. All the measurement indicators of the international institutions and NGOs focus on measurements of this type.

It is probably necessary to abandon the current orientations, which have negative induced effects, and to avoid making value judgments.

Furthermore, the databases of the international institutions should be viewed with caution when they create their own data. This is the case, for example, with the calculation of the HDI or the corruption perception index. It is absolutely necessary to open up the debate on tools and methodologies. Our Council has already proposed organising a regional workshop to examine these questions and make a number of proposals to improve the approaches to measurement and the statistical quality of the measures; this proposal has been accepted by the UNDP's central office.

9) In your opinion, which dimensions are particularly important for the measurement of the progress, development and well-being of societies ?

The aspects relating to governance in general (political, territorial, economic governance, etc.) as well as the aspects relating to citizenship are important.

10) Do you have any suggestions, proposals or best practice to present in relation to the

measurement of progress, development and well-being as regards the indicators to be used, presentation of the results in the form of a dashboard, etc.?

Creating a social matrix or a matrix of social well-being, provided that the measurement criteria are specified, could be a priority if one wishes to move beyond the traditional measurement indicators. The underlying presumption is that the purpose of development is to serve mankind; it is not an end in itself.

11) Do you have any suggestions, proposals or best practice to present in relation to the measurement of progress, development and well-being in order to ensure that civil society is consulted and can participate in moving this work forward?

One example of best practice, at the instrumental level, is the way our Council prepares its governance report, combining the approach of the WBI (World Bank Institute) and the APRM (African Peer Review Mechanism) and being a centre of reference for methodologies, tools and evaluation indicators.

Aggregating a large body of information into six indicators (26 databases per indicator on average) has widened the gap between the values of the six dimensions of governance in the developing countries and the developed countries. The WBI's six dimensions are perfectly correlated, their weight in the characterisation of the governance profile is the same; however, the field of governance is reduced so that only one type of governance is targeted.

The APRM adopts an objective-based qualitative approach, divided into four sections (political governance, democracy and participation, corporate governance, socio-economic development).

A seminar, organised in Algiers and attended by Dr Daniel KAUFMANN, has validated the approach of the APRM and has recognised the need to move towards relevant exchanges of knowledge and experience in order to capture best practice and the real development issues.

Otherwise, one of the major suggestions is to reflect on how to improve the collection and reliability of data. This is a significant obstacle for developing countries. Without collecting appropriate and reliable data, we cannot seek to improve measurement.