



Akademik Eğitim ve Sosyal Bilimler Dergisi (AJESS Journal)

The Impact of the Algerian Revolution on Post-Independence Development

Dr. Beghaoui Melouka, Researcher in Political Science and International Relations, University of Doctor Moulay Tahar, Saida, Algeria., beghaouicfsaida20@gmail.com

Article History

Received: 31/07/2026; Accepted: 15/09/2026; Published: 22/09/2026

Abstract

Algeria is among the countries that faced foreign colonialism, and it achieved independence through a historic revolution that helped end colonization. As a result, Algeria implemented comprehensive reforms in many sectors, especially development. Since gaining independence, the government has consistently worked to lay a foundation for progress based on democracy, good governance, and the rule of law. The topic of political reforms in Algeria has garnered significant attention from researchers, with increasing focus on development issues after independence.

Therefore, in this study, we examine the various stages of democratic change that the Algerian state went through after independence, emphasizing its development from independence to 2020.

Keywords: development crisis, political reforms, democracy, good governance, local communities.

Introduction

Local development is crucial for overall progress in political, social, and economic areas. Since gaining independence, Algeria has focused on strengthening its local communities, municipalities, and provinces, aiming to use them as tools for local growth because they understand local needs better and are more capable of addressing them due to their close connections to local interests. The Algerian government has gradually delegated some powers to municipalities and provinces to support the principles of administrative decentralization outlined in the constitution. However, the powers given to local communities for managing development have not been matched by a corresponding increase in their autonomy. Moreover, expanding these communities' powers at the expense of the central government, especially amid ongoing national plans and the lack of financial support for municipal autonomy, remains a challenge, particularly as their responsibilities and authority continue to expand.

Furthermore, due to the legal framework governing local communities, they have remained largely, if not entirely, neither financially nor administratively independent to this day. This is because of the tutelary administrative system exercised by the central authority in the capital, not to mention the weak administrative management caused by the elected officials themselves, whether at the municipal or provincial level.

Although some positive effects of partial reforms in Algeria - especially development plans - were observed, the local development crisis continued during the first decades after independence. This prompted serious consideration of establishing a dynamic, comprehensive, and effective reform process to improve all development sectors at the municipal level. This effort started with the first municipal law of 1967 and was further advanced through subsequent constitutional and legal reforms, particularly after 1996.

These considerations lead to raising the following question: What has been the history of development reforms in Algeria since independence?

To answer this question, the study is divided into two main parts covering the development reforms Algeria has undergone since independence, focusing on two key phases: the single-party period (1962–1989) and the period of political pluralism (1989–2000 and beyond).

First Axis: Development Reforms between 1962 and 1989

The post-independence era depended on revolutionary legitimacy, which was a flexible and somewhat vague reference point. Sometimes, this even led to excesses that authorities couldn't resist or control. After the phase of revolutionary legitimacy, Algeria suddenly moved to the stage of constitutional legitimacy. However, its late founder, President Houari

Boumediene, was unable to carry out his institutional reforms, which were closely linked to his personal leadership. After his death, the country faced a major crisis that still remains unresolved in some ways.

Interest in studying the role of local development increased due to efforts to address the negative effects resulting from the concentration of industry in certain areas. This problem was made worse by long-term neglect of the spatial aspect in development initiatives and a sole focus on the sectoral dimension. This fundamental issue prompted discussions about improving planning in local development, a topic that continues to be debated among economic planners, local development experts, and various branches of human sciences.

The result of this debate has been the development of local strategies for project implementation, including their optimal regional placement and the underlying rationale for this distribution. As a result, there was a need to create a scientific methodological approach to local development that considers variables influencing the selection of economic locations within long-term planning processes involving broad scope (economic, social, urban, and environmental).

Planning is a vital method for achieving economic and social objectives and making progress within a specific timeframe. This framework connects projects, sectors, and regions, thereby supporting the selection of initiatives based on their feasibility and their contribution to economic and social goals.

From the socialist era to the present, political authority has relied on central planning and decentralized implementation. Consequently, there is an unexamined assumption that development projects are uniform across the state's administrative regions. This also highlights the technocratic nature of these policies, as they often overlook the distinct spatial characteristics of each region, which are crucial to the development process. This is especially significant because each region has its own economic, social, and cultural traits that need to be considered in development efforts.

The period from 1967 to 1989 saw focused attention on local development through various adopted development plans. These plans emphasized the growth of the productive sector overall, with a particular focus on industrialization. They aimed to achieve specific goals, mainly to identify human and material resources for creating new job opportunities within set timeframes, maximize the use of available resources, and establish a clear schedule for society to implement scheduled investments on time.

Major Development Plans

1. The Three-Year Plan (1967–1969):

This plan was mainly an investment initiative aimed at underdeveloped regions to reduce regional disparities. Its goal was to promote economic and social progress. The primary focus of this plan was to boost the overall productive sector, especially the industrial sector. National companies were established to gain full control over economic activities, as the state increasingly took a leading role in guiding economic and social development and growth. The investment rate reached 9.14 billion Algerian dinars.

The Three-Year Plan was considered the first attempt at planning in this field. As a result, the process of how the plan was developed was discussed. Despite these efforts, democracy remained limited because economic decisions were primarily controlled by the central government. The plan included several industrial projects, which were carefully chosen and designed by the central authority.

2. The Four-Year Plans (1970–1977)

Two four-year plans were developed between 1970 and 1977. They are as follows:

The First Four-Year Plan (1970–1973)

This plan did not explicitly outline a specific regional development policy. However, it suggested intervention through national economic and social policies. One of its main aims was to promote regional balance and equal development opportunities. The plan also focused on rural development, enhancing education and training to raise cultural and technical standards for all citizens, creating jobs outside of agriculture, and increasing steel and construction material production. About 27 billion dinars were allocated to this plan, compared to only 11.081 billion Algerian dinars for the Three-Year Plan.

The Second Four-Year Plan (1974–1977)

This plan complemented the first four-year plan, aiming to complete the programs that had not been finalized during the previous period. It sought to clarify the objectives of economic and social development at the local level. It included a set of goals, notably strengthening and expanding social change, developing the basic structures of society, and adopting decentralization to promote regional balance. In this plan, citizens were involved in local municipal development, as well as various unions at the institutional level, such as the General Union of Algerian Workers, in the implementation of the plan. Particular emphasis was placed on involving workers' councils in institutions created by the new framework of socialist management of enterprises.

3. The Five-Year Plans (1980–1989)

The period from 1980 to 1989 was characterized by the Algerian government implementing two five-year plans aimed at developing social programs to address the social needs of the population. These plans were:

The First Five-Year Plan (1980 – 1984)

This plan emphasized social programs such as housing, transportation, and tackling unemployment, issues mainly found in urban areas. It also aimed to diversify investments to develop a national market and boost economic growth. Additionally, it sought to strengthen sector relationships and implement an education and training policy aligned with development and employment needs. Furthermore, it coordinated regional development to address disparities caused by

large-scale projects. In this plan, 250 billion dinars were allocated to restore economic stability, reorganize institutions, optimize energy use, establish development priorities, complete the planning system, and create a Ministry of Planning and Urban Development to replace the former State Secretariat. Several Algerian national charters stress the importance of relying on local communities to lead development through these plans. The 1969 Wilaya Charter, for example, highlights that local communities are key participants in both planning and carrying out development initiatives. However, reality shows that development plans were comprehensive but failed to consider the spatial specificities of individual regions. This illustrates one aspect of Algeria's local development crisis during this period.

The Second Five-Year Plan (1985 – 1989)

This plan emphasized the importance of strengthening the municipal planning system. It highlighted the role of local plans in coordinating private investment activities nationwide and integrating them into the municipality or wilaya's local development efforts. It also stressed a broader policy approach beyond just municipal and wilaya plans, specifically the National Plan for Regional Development. An allocation of 550 billion dinars was designated for developing the agriculture, irrigation, housing, and transportation sectors, as well as for servicing external debt.

Algeria experienced an economic crisis in the late 1980s because the government continued relying on oil revenue for production and development. When international oil prices plummeted, with a barrel dropping below \$8, the economy was severely impacted. The most noticeable signs of this crisis were:

A decline in citizens' purchasing power, the freezing of workers' wages amid a chaotic rise in consumer goods prices (as the state lost its role in controlling prices), and an increase in unemployment rates, especially among youth.

A 15% decrease in gross national product in 1988, combined with a rise in population growth rate to 3%, contributed to the worsening of meeting citizens' needs.

An increase in Algeria's debt, which steadily rose from 1 billion in 1970 to 19 billion in 1988, was accompanied by the rise of a bourgeois class at the expense of the public interest. This class relied on socialist justifications to accumulate wealth with government support, thereby gaining a monopoly over the national market by restricting imports of its products and failing to monitor quality or prices. As a result, this class influenced government decisions and imposed its views on the economy.

A decrease of \$772 million in the current account balance occurred in 1988, but it came with significant economic and social costs. This decline was driven by reducing imports, which dropped from \$15.367 billion in 1986 and \$10.116 billion in 1987 to \$6.379 billion in 1988, representing an 18.48% drop between 1986 and 1988.

Social and cultural factors mainly relate to Algeria's cultural and psychological identity and its demographic makeup. In the 1980s, the percentage of youth experiencing unemployment and psychological frustration increased, especially as the economic crisis deepened. There was also a growing divide between social classes, fueling feelings of injustice and inequality. Additionally, Algerian society is culturally diverse, including French-speaking, Arabic-speaking, and bilingual intellectuals. This cultural diversity has led to a variety of ideological perspectives.

The presidential speech given by Algerian President Chadli Bendjedid on September 19, 1988, before the Coordination Office, was marked by strong criticism of both the party and the government, accusing them of failing to properly perform their duties in serving the people and addressing societal issues. While continuing the government's austerity policy to handle the financial crisis caused by falling oil prices, this speech provoked a strong reaction from society. Riots and protests broke out in Algiers on the evening of Tuesday, October 4, 1988, and spread to other major cities the morning of October 5, 1988.

These protests marked the initial test of political openness. The youth, facing economic struggles, political challenges, and unemployment, played a key role in these demonstrations. The Political Bureau of the National Liberation Front, during its meeting on October 5, 1988, characterized these protests as acts of rioting fueled by hidden foreign influences. On October 6, 1988, the Algerian President declared a state of emergency in accordance with Article 199 of the Constitution.

The economic reforms introduced in the 1980s showed their limitations. In the early 1990s, the government had to seek loans and concessional aid from international organizations to deal with a severe shortage of the country's foreign currency reserves. This aimed to restore stability and improve the balance of payments, as well as reduce external debt, marking a step toward shifting from a planned economy to a market-based one.

Second Axis: Development Reforms in the Period 1989–2020

Many researchers see the events of October 1988 in Algeria as a key turning point in the country's development because they laid the foundation for political pluralism. In other words, these events created a platform for various political actors to voice their desire for democracy. The opposition, which had been marginalized for a long time—whether through confinement within the single party or secret activities—saw these events as a chance to become an active force in the new environment.

The 1980s marked a major turning point in Algeria's development policy. The country implemented various economic, structural, and administrative reforms, including:

The reorganization of the national territory by increasing the number of local administrative units (1984).

The reform of the agricultural sector based on the agricultural investment system (1986).

The organic and ongoing restructuring of economic institutions (1989).

The law on the autonomy of public economic enterprises was enacted in 1989. The pluralism resulting from the October reforms helped create a balance between the long-suppressed cultural pluralism and the political pluralism introduced by representative democracy. It became clear that the Algerian citizen, who had been stuck with a binary choice for a long time, now faced multiple options driven by the party momentum generated by the reforms.

The Algerian political landscape was unstable during the period of political pluralism. It has undergone several changes since adopting pluralism, influenced by legal reforms and other factors shaping party activities and the presence of political parties, leading to shifts in the Algerian party scene over time.

It is unlikely that a major change in political life will occur through the new constitutional experience. The democracy shown by the 1988 events was not intended to last long. After the initial multi-party electoral experience, political life gradually moved toward a crisis, which worsened with the suspension of the 1991 legislative electoral process. This raised several questions about the nature of power in Algeria, the sources of its legitimacy, and whether those in power truly intended to relinquish it to the elected body, thus embodying the principle of popular sovereignty enshrined in the Constitution.

In this context, researcher Jabi Abdel Nasser highlighted reasons related to the short-lived nature of the party experience, the decline in security conditions, and the political circumstances that coincided with the emergence of parties in Algeria. This was reflected in a clearer understanding of the political landscape.

The political situation resulting from the interruption of the electoral process and the installation of the High Council of State saw a rise in violence and an increase in the Council's decisions and its hardline policies toward the opposition in general, and the dissolved party in particular. The political landscape remained in this state, with violence becoming the dominant feature of life in Algeria. It became clear that the regime was trying to overcome the legitimacy crisis left by the absence of legitimate institutions during a period marked by signs of political dialogue on the Algerian crisis. This dialogue involved parties seeking to restore legitimacy halted by the January 1992 coup, and parties seeking legitimacy through the announcement of new elections to redistribute roles and influence in the political scene, especially after the death of the President of the High Council of State, Mohamed Boudiaf.

Despite the political and security challenges Algeria faced after the 1989 Constitution was enacted, by the late 1990s, the country began to experience some political and security stability. This enabled it to implement a series of development programs, the most notable of which were the Economic Recovery Program and the Growth Support Program.

1. The Economic Recovery Program (2001–2004)

The Economic Recovery Program was a four-year effort focused on revitalizing public economic enterprises and expanding economic projects by increasing the number of initiatives and financing them with significant funds. A total of 525 billion dinars was allocated to this program to upgrade basic infrastructure, support agriculture and rural development, promote agricultural exploitation and productive enterprises (especially small and medium-sized local ones), and restore infrastructure that would help restart economic activities and meet the essential needs of the population in human resources development.

This program centered on three main objectives: fighting poverty, creating job opportunities, and promoting regional balance. Among its most significant outcomes:

Investment of approximately 46 billion US dollars from public spending.

Continuous economic growth at an average rate of 3.8% over five years.

Contribution to the completion of thousands of basic infrastructure projects.

The Economic Recovery Program outlines the state's role in addressing local concerns at multiple levels, aiming for meaningful and sustainable improvements in residents' living environments. The program involves implementing municipal plans to promote development and ensure an even distribution of facilities and activities nationwide. It responds to the need for sustainable development projects within territorial communities.

2. The Growth Support Program (2005–2009)

To strengthen and complete the Economic Recovery Program, the Growth Support Program was launched in 2005 to improve economic and social infrastructure. This program operated from 2005 to 2009, with a total investment of 9,000 billion Algerian dinars, of which 1,908.5 billion were allocated to local initiatives.

The program aimed to achieve several objectives, primarily completing the incentive framework for investment by issuing regulatory documents that support the investment law and developing measures to promote private and foreign investment. It also sought to continue adapting national economic and financial tools to global openness, either by upgrading production capabilities or through financial and banking reforms.

Furthermore, it adopted a policy of encouraging partnerships and privatization while enhancing national capacities and expanding the government's role in regulation and oversight to fight fraud, speculation, and unfair competition that undermine the rules of competition and the market, harming domestic productive enterprises.

The program aimed to support the development process and build on previous achievements efficiently and with quality, focusing on enhancing and promoting the investment framework, modernizing the financial system, and addressing land issues. It was divided into five appendices, each containing a specific program designed to achieve a set of objectives, including:

Program focused on enhancing living conditions, including development initiatives for the southern wilayas.

Special program for the High Plateaus.

Program for the development of basic infrastructure.

Program created to foster economic growth.

Program for modernizing and developing the public sector.

Program for the development of communication tools and modern technology.

These development programs experienced delays in their implementation. Many projects from the previous plan remained unfinished during the 2015–2019 budget, with costs rising from 25% to 40% of their original value. This creates a risk for the Algerian economy, which heavily relies on oil revenues to fund these projects, revenues that have faced a concerning decline. Additionally, despite significant financial allocations resulting from rising oil revenues, their impact, especially on local development, remained limited.

The crises during the second phase of the Algerian political system had negative effects that impacted most aspects of Algerian society, including the economy. These included disruptions in financial markets, rising inflation rates, a decline in the value of the local currency, the outflow of both domestic and foreign capital, and an increase in unemployment caused by the closure, bankruptcy, and liquidation of many institutions and companies. Other effects revealed the root cause of the failure overall in the Algerian system and the failure of most national and local development programs alike. Since 2014, liquidity shortages in the national economy have become a reality rather than just a forecast, caused by a decline in foreign currency assets available for exchange, deficits in both the trade balance and the Treasury account, a decrease in the value of the local currency, and pressure on domestic demand.

Demographic shifts, unemployment, the rise in vulnerable groups, tax evasion, and slow growth due to limited value added in sectors have worsened the development crisis in the local community.

Conclusion

Anyone observing Algerian society from independence to today will see that the development process has faced major challenges. These challenges peaked during the 1980s and 1990s with a significant political, social, and economic crisis. The root cause of these issues is the failure of the developmental project that began to take shape in the early 1970s.

The main reason for the failure of this development process was not a lack of material resources, which are the backbone of any societal growth effort, but rather poor management and unfair distribution. Despite the political will demonstrated through constitutional and legal changes aimed at strengthening democracy and promoting development, these reforms remain far from meeting the hopes, expectations, and goals of the Algerian people. These goals are clearly rooted in the principles of the glorious War of Liberation, which once provided strong momentum for post-independence Algeria.

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