
Promoting development in light of strategies to counter financial and administrative corruption in Algeria

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Abstract:

Corruption is one of the most evident symptoms of deep-seated societal maladies and one of the most persistent governance challenges yet to be resolved, stemming from the incomplete process of building an effective and accountable state. It reflects the weakness of governance institutions and the failure of political elites to manage national resources. Corruption also constitutes a threat to state security, as institutional weaknesses themselves generate corruption. It imposes heavy economic costs on the public treasury and poses a significant obstacle to economic development.

This study examines the concept and manifestations of financial and administrative corruption, its intellectual perspectives, and its political, economic, and social repercussions in Algeria. It also explores strategies for combating corruption as a means of revitalizing economic development in the country, and concludes with key recommendations deemed essential.

Keywords: Financial Corruption; Administrative Corruption; Governance; Anti-Corruption; Algeria.

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1. Introduction:

Corruption is a social affliction that has plagued human societies since the dawn of history. It is a chronic disease afflicting both wealthy and poor nations, educated and uneducated peoples, dictatorships and democracies, strong states, and fragile ones. Its emergence and persistence are tied to human desire for material or moral gains to which individuals often have no rightful claim, yet they pursue them through covert means, often by excluding those who are entitled.

Today, corruption has become a global phenomenon with deep roots and extensive ramifications, shaped by overlapping factors that are difficult to disentangle. It stands as the most critical challenge of our time and the likely successor to terrorism—one that governments and societies will inevitably confront. This confrontation may well prove more ruthless and costly than the fight against terrorism itself.

Research Problem

The problem of this study lies in the gravity of the political, economic, and social consequences of financial and administrative corruption. These include the massive squandering of national wealth, the loss of genuine development opportunities, the stagnation of reconstruction projects, and the emergence of stark class divisions within society.

Research Hypothesis

This research proceeds from the central hypothesis that financial and administrative corruption in Algeria is driven by both subjective and objective factors: subjective, relating to the corrupt individuals themselves; and objective, linked to political circumstances, weak legal accountability, and insufficient oversight and monitoring of projects.

Significance of the Study

The significance of this study lies in its attempt to confront financial and administrative corruption in Algeria by shedding light on its causes, manifestations, consequences, and potential strategies for combating and addressing it, with the ultimate aim of achieving comprehensive reform.

Objectives of the Study

The study aims to identify the underlying causes of financial and administrative corruption in Algeria, analyze its forms and effects, and propose viable solutions and remedial measures to confront it and eliminate its impact on the economy and society.

Methodology

The study adopts a scientific approach based on descriptive and analytical methods to address the prevalence of financial and administrative corruption. It explores its causes, forms, and adverse impacts on

political, economic, and social conditions, while gathering information necessary for devising effective strategies to combat corruption and achieve comprehensive reform.

Structure of the Study

This research is divided into three main sections:

1. The conceptual framework of financial and administrative corruption, its manifestations, and theoretical perspectives.
2. The political, economic, and social repercussions of corruption.
3. Strategies for combating corruption to promote economic development in Algeria.

1. The Intellectual Perspectives on Financial and Administrative Corruption and Its Manifestations

Corruption represents a grave threat to state institutions, undermining development and destabilizing societies. Many states attempt to combat corruption through oversight bodies and the enactment of laws and regulatory frameworks. Nevertheless, corruption resurfaces wherever possible, exploiting weak monitoring mechanisms, ineffective systems, negligence, or complacency. It flourishes in environments where transparency is absent, given the inverse relationship between the two: the greater the transparency, the weaker the corruption. In response, various institutions have emerged to combat corruption by promoting transparency and integrity.

1.1. Concepts of Financial and Administrative Corruption

Financial and administrative corruption is one of the most critical challenges facing countries, particularly developing nations, where it eats away at the social fabric, undermines security, and paralyzes the processes of construction and economic development. Ultimately, it destroys both economic and administrative capacities, leaving states unable to meet the demands of reconstruction or to build the infrastructure essential for growth.

Different definitions have been offered:

Social Science Encyclopedia: Corruption is defined as “the misuse of public authority for private gain.” This encompasses bribes paid to local or national officials and politicians but excludes those within the private sector. Elsewhere, it is defined as “a deviation from law and public order for the pursuit of political, economic, or social interests of an individual or a specific group” (Al-Aykili, 2015).

Transparency International: Defines corruption as “the abuse of entrusted power for private gain” (Abboud, 2010).

International Monetary Fund (IMF): States that corruption is “an extended hand relationship intended to extract benefits from such behavior by an individual or a group linked by personal connections” (Zaher Ghadwan & Ahmed, 2014, p. 76).

From these definitions, corruption may be broadly understood as a deviation from ethical norms, the absence or manipulation of regulatory mechanisms, and a breach of established rules governing work and conduct. It represents an illicit contractual relationship between two actors: the official who holds power and abuses it, and the corrupter who possesses material resources to purchase that power or influence specific decisions.

1.2. Features of Financial and Administrative Corruption in Algeria

Corruption in Algeria is characterized by several features, including:

- The involvement of multiple actors.
- The absolute secrecy surrounding its practices.
- The mutual interests and reciprocal benefits it ensures for perpetrators.
- The existence of tacit agreements between decision-makers and corrupters who exert pressure to obtain favorable decisions that serve their personal interests.

1.3. Theoretical and Intellectual Perspectives on Corruption

With the development and spread of corruption, various theoretical and intellectual approaches have emerged to explain and address it:

a. The Ethical Approach: Views corruption as a moral and behavioral deviation manifested in destructive practices that must be prevented, treated, and eradicated by all possible means.

b. The Functional Approach: Also known as the practical or justificatory approach, it interprets corruption not necessarily as a deviation from prevailing moral norms, but rather from established work rules, procedures, and administrative laws. Such deviations result from multiple causes, thereby breaching the legal and procedural framework (Khalid, 2011, p. 28).

c. The Cultural Approach: Considers corruption as a multidimensional phenomenon with diverse causes and outcomes. It may evolve into an organized system capable of persistence, producing a wide range of corrupt subsystems—whether in ethical or functional terms.

d. The Civilizational Approach: Associates corruption with the broader civilizational context, including political, cultural, moral, social, and behavioral dimensions. It is seen as a complex phenomenon entrenched in underdevelopment, where individual and collective practices result in flawed and deficient choices (Khalid, 2011, p. 27).

e. The Administrative Approach: Focuses narrowly on high public office, viewing corruption as the exploitation of senior positions for material gains, social prestige, and the distribution of benefits to associates and relatives. This approach is often rationalized by the belief that such high-ranking posts are temporary and transient (Abboud, 2010).

1.4. Manifestations of Financial and Administrative Corruption in Algeria

Two particularly conspicuous forms of financial and administrative corruption have emerged in Algeria:

First: the collection of money from individuals seeking public employment. This practice, both unethical and illegal, stems from the multiplicity of authorities empowered to make appointments—including ministers, general directors, and political parties.

Second: procurement committees in state institutions. These represent one of the most egregious forms of public fund mismanagement. Existing regulations governing the formation and operation of procurement and related committees are insufficient to close the channels through which corruption proliferates.

Beyond these two examples, corruption in Algeria manifests in a wide array of forms, all of which share a common denominator: the unlawful exploitation of public office. The United Nations Convention against Corruption (2003) identifies the following principal manifestations:

Bribery: A clear instance of an employee exploiting their position for material gain. Bribery is widespread at all levels of public service and often disguised under euphemisms such as “gifts,” “assistance,” or “tokens of appreciation.” Regardless of nomenclature, bribery constitutes a crime under the law. In many cases, bribes flow upward from lower-ranking employees to their superiors in exchange for protection of illicit practices.

Embezzlement of Public Funds: A severe form of financial and administrative corruption with grave economic repercussions, involving the misappropriation of state resources entrusted to officials. It represents a betrayal of public trust (Younes, 2010, p. 32).

Trading in Influence: Defined by the 2003 UN Convention as the exploitation of one’s actual or presumed influence to secure undue advantages for oneself or others.

Abuse of Office: Article 19 of the UN Convention obliges states to criminalize deliberate misuse of official positions—whether through action or inaction—for the purpose of securing undue benefits for oneself, another person, or an entity. Such acts constitute a flagrant affront to the rule of law (Issam Abdel Fattah, 2011, p. 32).

Illicit Enrichment: Officials exploit loopholes in laws, decrees, or administrative procedures to accumulate wealth disproportionate to their legitimate income. The UN Convention underscores the necessity of enacting legal and constitutional measures to criminalize illicit enrichment.

Concealment of Proceeds from Corruption: Hiding assets obtained through corrupt practices constitutes a crime in itself, as it enables perpetrators to profit from illicit gains and obstructs justice.

Money Laundering: The laundering of corruption proceeds is among the most dangerous forms of corruption, as it allows criminals to perpetually benefit from illicit funds while disguising them as legitimate.

Obstruction of Justice: Involves threatening witnesses or law enforcement officials through intimidation, violence, or coercion, thereby undermining the enforcement of justice.

Fraud and Deception: Encompasses fraudulent acts carried out under the guise of official duties to exploit and extort others.

Nepotism and Favoritism: The preferential treatment of relatives and acquaintances in recruitment or contract allocation. This practice represents a grave form of corruption, as it grants undeserved privileges to certain individuals at the expense of merit and equity (Abd al-'Al & Muhammad Sadiq, 2012, p. 40).

2. Political, Economic, and Social Impacts of Financial and Administrative Corruption in Algeria

Administrative corruption is one of the most pressing challenges facing modern societies. Recognizing its gravity, many states have enacted laws and systems to curb it. Left unchecked, corruption fuels unemployment, inflation, monopolistic practices, and widespread poverty. Consequently, governments strive to combat corruption through oversight mechanisms targeting state institutions and employees, strengthening transparency in governance, and eliminating nepotism and favoritism in the workplace.

2.1. An Overview of Corruption in Algeria

Numerous reports from international organizations specializing in transparency and anti-corruption consistently rank Algeria among the world's most corrupt states. This has persisted over many years, despite the existence of multiple oversight institutions such as the Integrity Authority, the Court of Audit, inspector general offices, and ministerial oversight bodies—all of which are supposed to monitor financial and administrative performance.

Yet, Algeria continues to hold advanced positions on global corruption indices. In fact, the cases scrutinized by the Integrity Authority represent at most 5% of the actual incidents of corruption in state institutions, even under the most optimistic estimates. If the majority of cases were reported and investigated, Algeria's position on the global corruption scale would be considerably worse (Ould Serhan, 2016, p. 52).

The consensus-based governance system in Algeria has played a central role in entrenching corruption. The weakness of Parliament—due to the bargaining and compromises among parliamentary blocs—has created tacit or explicit agreements to avoid prosecuting corrupt actors, as doing so would expose members of all factions to accountability. Similarly, ruling parties provide protection to their affiliates, further enabling corruption. This environment has fostered a culture where corruption is normalized, integrity is undermined, and

public service is permeated by practices such as embezzlement, bribery, fraud, misappropriation, and waste of public funds through flawed procurement processes and fictitious contracts.

With no effective deterrent, corrupt officials became role models for lower-ranking employees, perpetuating systemic corruption. As a result, Algeria has evolved into a hub of financial and administrative corruption, positioned prominently on the global corruption landscape.

2.2 Causes of the Prevalence of Corruption in Algeria

The key factors driving Algeria into the abyss of corruption can be summarized as follows:

- ❖ Erosion of moral values and weakening of ethical constraints within state institutions and society at large, resulting in the prioritization of private interests over public welfare.
- ❖ Difficult political, economic, and social conditions that drive individuals toward excessive individualism and materialism.
- ❖ Absence of accountability, whether legal (e.g., lack of constitutional oversight, parliamentary scrutiny, or functional internal audit mechanisms) or practical (laws may exist but remain ineffective in application).
- ❖ Authoritarian reduction of integrity to mere loyalty to the regime or ruling party, rather than to universal ethical or societal values.
- ❖ Inequitable distribution of wealth, leading to widespread feelings of injustice that push individuals to seek illicit enrichment through bribery, embezzlement, or other corrupt practices as a means of restoring perceived balance.
- ❖ Incompetence and lack of integrity among senior officials, including ministers, deputies, and directors general, who are often appointed on the basis of political loyalty, kinship, or patronage, rather than merit, expertise, or honesty. In some cases, such posts are effectively “sold” to aspirants seeking personal enrichment through illicit practices (Ould Serhan, 2016, p. 57).
- ❖ Lack of transparency within public institutions and across segments of the private sector, reinforced by secrecy and restricted access to data, statistics, and public information.
- ❖ Inadequate salaries in the public sector, which drive employees to seek additional income. In the absence of legitimate opportunities, they resort to illicit means, targeting either public funds or citizens’ assets (Ould Serhan, 2016, p. 59).

The spread of financial and administrative corruption inevitably undermines economic growth, obstructs development, weakens the state’s international standing, and leads to irrational decision-making by corrupt officials. The outcome is widespread poverty, aggravated social inequality, and heightened political, economic, and social instability.

2.3 Political Impacts of Financial and Administrative Corruption

The political consequences of financial and administrative corruption manifest in several ways:

Political Instability: When corruption spreads in states bound by treaties or external loans, such states are subject to punitive conditions in the event of non-compliance. This often leads to the erosion of national sovereignty, as external institutions or lending states interfere in domestic affairs. Corrupt officials frequently divert loans to projects unrelated to genuine development or, worse, to private accounts of political elites. Statistics indicate that developing countries allocate around 25% of such loans to armament, resulting in massive financial losses. Consequently, lending institutions and states impose strict conditions to prevent capital leakage, thereby strengthening external control. This situation has fueled calls for structural reforms aimed at reducing the role of the state—placing the burden of these reforms directly on citizens (Abd al-'Al & Muhammad Sadiq, 2012, p. 48).

Impact on Political Decision-Making: Corruption erodes rationality in government decision-making. Concentration of power at the top of the state apparatus and the absence of the rule of law enable leaders to make critical national decisions unilaterally, without consultation or recourse to research centers that could provide in-depth analysis, policy alternatives, and cost-benefit assessments. Such irrational decisions may result in international sanctions, reputational damage, or financial penalties—burdens that fall upon the population. Algeria offers examples: both under the former regime and in successive governments, poor political decisions rooted in corruption inflicted heavy costs on citizens.

Exposure to External Powers: Corruption weakens the state and leaves it vulnerable to external actors. It reduces bargaining power with multinational corporations, enabling them to secure unbalanced contracts through deals with senior officials. This diminishes the state's credibility in international forums, as foreign partners are reluctant to pursue long-term relations with governments characterized by instability and unpredictable policies (Khaled, 2011, p. 33).

2.4 Economic Impacts of Financial and Administrative Corruption

The most significant economic consequences of corruption include:

1. Reduction in Investment Rates: Empirical studies confirm that corruption negatively affects economic growth by discouraging both foreign and domestic investment. Investors avoid corrupt environments, where they are compelled to pay bribes—whether in cash or in kind—which act as informal “taxes” that raise operational costs and suppress investment. This lowers aggregate demand and, in turn, reduces economic growth.

2. Exacerbation of Fiscal Deficits: Corruption undermines public revenues while inflating expenditures. It fosters tax evasion, illicit tax exemptions, and artificially inflated costs of public projects. Consequently,

governments struggle to adopt sound fiscal policies, and deficits worsen when financed through the banking system—fueling inflation and economic instability (Mohammad Sharif, 2012, p. 64).

3. Decline in Quality and Efficiency of Public Services: When contracts are awarded through corrupt bidding processes, projects are allocated to firms based on bribe-paying capacity rather than competence. This diminishes the quality and efficiency of public services, discourages productive industries, and prevents the economy from benefiting from economies of scale.

4. Market Distortion and Misallocation of Resources: Corruption weakens the government's ability to regulate markets and enforce compliance, undermining its core functions in contract enforcement and protection of property rights. It also directs employment toward sectors where bribery generates illicit income—such as tax collection and customs—despite low wages. Moreover, favoritism in hiring and promotions lowers administrative quality, fosters poor decision-making, demotivates qualified employees, and distorts labor markets.

5. Rising Poverty and Inequality: Elites exploit their privileged positions to capture a disproportionate share of economic benefits, continually amassing assets and widening the gap between themselves and the broader population. This exacerbates poverty and entrenches inequality (Mohammad Sharif, 2012, p. 65).

In sum, the political and economic impacts of corruption converge in eroding political and economic stability. This is largely due to the subordination of economic decisions to political whims, compounded by the weakness and corruption of political systems incapable of crafting coherent strategies that account for external constraints (e.g., treaties, loans). Moreover, widespread corruption in civil and political institutions—coupled with the absence of oversight—has deepened poverty and harmed vulnerable groups across Algerian society.

2.5 Social Impacts of Financial and Administrative Corruption

The social consequences of corruption are no less severe. The most salient include:

1. Deterioration of Education: Most states allocate substantial budgets to education to build human capital, a cornerstone of development and modernization. However, corruption siphons off significant portions of these budgets and diverts what remains away from their intended goals. This has led to a marked decline in the quality of education. Since the political transition to the LMD system, the reality on the ground shows teachers increasingly neglecting their pedagogical duties, pressuring students to pay bribes through the guise of private lessons—thereby degrading educational standards at all levels.

At the university level, corruption manifests in the allocation of postgraduate studies and scholarships based on political affiliation, nepotism, or outright bribery. This excludes genuinely qualified candidates who could contribute meaningful scientific achievements, replacing them with individuals holding advanced degrees

devoid of innovation or creativity. As a result, Algeria—due to entrenched corruption—has fallen outside the global rankings for higher education.

2. The Impact of Financial and Administrative Corruption on the Health Sector The process of development aims, among other goals, to guarantee individuals' rights to adequate healthcare and medical attention. This indicator is widely recognized as one of the key criteria in assessing the progress and advancement of nations. In Algeria, public health services were historically provided to the majority of the population at symbolic fees in government institutions, to the extent that the country became virtually free from chronic and life-threatening diseases that continue to trouble many advanced nations, such as HIV/AIDS.

However, this situation began to deteriorate significantly after the year 2000. Financial and administrative corruption within the health sector contributed to a sharp decline in the quality of healthcare services in public hospitals, which are now often devoid of essential medicines. Even when medicines are available, they are frequently stolen by staff members and resold at inflated prices in private clinics. Moreover, genuine and high-quality medicines are often replaced with substandard or counterfeit alternatives, a practice that has resulted in numerous deaths (Ould Serhan, 2016, p. 72).

3. The Impact of Financial and Administrative Corruption on Income Inequality

Corruption has deepened income disparities among different segments of society. Public office has been transformed into a means of personal enrichment, particularly after 1999, when responsibility and wealth became increasingly interconnected. The primary goal of holding office shifted from serving the public interest to safeguarding the privileges of a narrow elite that dominates the political sphere.

As a result, the majority of citizens were marginalized. The entrenchment of corruption led to widespread protests by disadvantaged groups, some of which escalated into violence as a means of confronting exclusion and deprivation. This, in turn, fueled social disorder and instability. The recurring unrest and grievances witnessed in Algeria can thus be viewed as a direct outcome of corruption. Political and economic elites exploit their privileged positions within society and the state apparatus to capture the largest share of benefits and accumulate assets, thereby widening the gap between their incomes and those of the broader population (Mohammad Sharif, 2012, p. 74).

4. A Strategy to Combat Financial and Administrative Corruption for Economic Development in Algeria

The dangers posed by corruption to the stability and security of societies are profound. Corruption undermines democratic institutions, moral values, and the principles of justice, while simultaneously threatening sustainable development and the rule of law. Its economic, political, and social consequences are devastating, eroding every dimension of state capacity. Public resources, wealth, time, and human capital are squandered;

governmental performance is paralyzed; and the delivery of essential public services is obstructed. The result is systemic decay not only in economic and financial affairs but also in political, social, and cultural spheres—compounded by the severe deterioration of institutions that provide vital public services.

Financial and administrative corruption is thus the principal obstacle to development programs. A significant portion of funds allocated for development projects is diverted for the benefit of specific individuals who exploit their official positions and legal authority. Consequently, the development process is obstructed, underdevelopment and corruption become entrenched, and the nation suffers enormous losses in financial resources, human effort, and time—along with missed opportunities for growth, progress, and prosperity.

In light of the above, establishing a strategy to confront financial and administrative corruption in Algeria requires bold steps aimed at comprehensive institutional reform. This involves revising legal frameworks, drawing upon international expertise and best practices, strengthening integrity, and institutionalizing transparency.

First: Global Actors in Combating Corruption

1. International Institutions: Several international bodies have been tasked with combating administrative corruption worldwide, including:

The United Nations (UN): The UN has issued multiple resolutions to combat corruption, recognizing its grave threat to the stability and security of societies. In 2004, it adopted the United Nations Convention against Corruption (UNCAC), which has since been ratified by a large number of states (Murshid, 2013, p. 73).

The World Bank: The Bank has developed a series of steps and strategies to assist states in combating corruption and mitigating its negative impact on economic development.

The International Monetary Fund (IMF): The IMF has sought to limit corruption by suspending financial aid to any country where corruption poses a barrier to economic development.

Transparency International (TI): Established in 1993 as a non-governmental organization, TI focuses on combating corruption by promoting legal clarity, streamlining administrative procedures, ensuring consistency, and aligning governance practices with economic, social, and political changes (Murshid, 2013, p. 73).

2. National Institutions: At the domestic level, Algeria has established three oversight institutions to combat financial and administrative corruption:

The National Anti-Corruption Body (NACB): Created by Decree No. 06/413, this independent governmental authority is tasked with investigating suspected cases of corruption—including bribery, favoritism, abuse of authority, and misuse of public funds. Its responsibilities include:

- Developing ethical standards in line with a code of conduct binding on all public employees.

- Organizing awareness programs and workshops to foster a culture of transparency, integrity, and accountability (Khelifi, p. 108).

Inspectorates General: These offices were established within all ministries to conduct audits and reviews, strengthen accountability, oversee ministerial operations, prevent misuse of authority, and collaborate with the NACB by reporting suspected cases of corruption.

Second: Mechanisms for Reform and Anti-Corruption Measures

Following Algeria's ratification of various international conventions on combating corruption, the state sought to activate its legal institutions and civil society organizations to address the phenomenon. The most prominent institutions include the National Anti-Corruption Body, the Court of Accounts, the National Human Rights Commission, and the National Economic and Social Council. Collectively, these entities are empowered to monitor the management of public funds, investigate suspected cases, and publish reports holding the government accountable.

Additionally, consumer protection associations—such as the National Association for Consumer Defense—play an important role in safeguarding citizens' rights by raising awareness, providing guidance, and representing consumer interests in legal proceedings.

The mechanisms adopted to combat corruption include:

1. Legal Frameworks:

Law No. 06-01 of 20 February 2006 on the prevention and fight against corruption, which defines corruption-related crimes such as:

- Embezzlement and misappropriation of property.
- Crimes related to public procurement.
- Concealment of corruption-related offenses.

Algeria also ratified the UN Convention against Corruption (2014) and the African Union Convention on Preventing and Combating Corruption (2005).

However, criticism has been directed at the Presidential Ordinance of 23 July 2015, which decriminalized "mismanagement." This provision is seen as creating loopholes that allow for the misappropriation of public resources, particularly in the absence of adequate oversight mechanisms. Even public prosecutors lack the authority to pursue corruption cases unless a formal complaint is filed by a competent institution (Mohamed, 2016).

2. Establishment of the National Body for the Prevention and Fight against Corruption

Law No. 06-01 of February 20, 2006, concerning the prevention and fight against corruption, provided for the establishment of the National Body for the Prevention and Fight against Corruption. The law outlined several provisions (Khalifi, p. 23):

- Supplying the body with the necessary information and documentation.
- Establishing its relationship with the judiciary.
- Respecting professional confidentiality.
- Preparing an annual report to be submitted to the President of the Republic.

Key objectives of this body include:

- Organizing training sessions to address corruption for public officials working in central administrations of the public sector.
- Conducting awareness campaigns for citizens through media and communication channels.
- Incorporating programs dedicated to the study of corruption, its types, and manifestations across all levels of education, particularly in higher education.
- However, the major criticism of this body is its failure to effectively translate its mandate into practice.
- The existence of a serious and effective anti-corruption policy—combined with unwavering determination to implement and follow through—can eradicate corruption and mitigate its consequences. For such a strategy to succeed, the following elements are indispensable:
- Strengthening the political system’s support for reform programs and selecting competent, loyal individuals to lead key administrations and economically significant projects.
- Promoting and institutionalizing transparency within government and state institutions in handling corruption cases, exposing offenders, and holding them accountable.
- Enhancing the effectiveness of oversight institutions such as the Court of Accounts, Integrity Commissions, and ministerial inspectors, while ensuring they are managed by competent, courageous, and honest individuals.
- Cultivating a culture of resistance against corruption within society.
- Activating the role of the media in exposing corruption cases and following up on reports and investigations.
- Promoting a culture of respect for public funds and recognizing their protection as a national duty.
- Enacting clear, unambiguous laws and regulations that prevent misinterpretation or loopholes that encourage manipulation and evasion of responsibility.

- Empowering civil society organizations to monitor and expose corruption practices and the actors behind them.
- Embedding and reinforcing ethical principles and values in both administration and society, by promoting awareness programs, positive behavioral models, and sound ethics.
- Leveraging international efforts in combating corruption, including the 2003 United Nations Convention against Corruption, resolutions of the UN Economic and Social Council, the International Monetary Fund, the World Trade Organization, the Organization for Economic Cooperation and Development, and Transparency International.

3. The Reality of Combating Financial and Administrative Corruption in Algeria

Algeria experienced significant economic growth after 1999 due to soaring oil prices. Despite the decline in oil prices since 2014, revenues allowed Algeria to allocate nearly USD 1 trillion to various development programs. However, these vast financial resources failed to pull the country out of underdevelopment or break free from its dependence on oil revenues, which still account for a quarter of GDP and approximately 95% of export revenues.

The dominance of the rentier culture contributed to the proliferation of corruption throughout state institutions. Anti-corruption efforts have nonetheless revealed several major scandals, most notably the so-called “Scandal of the Century” involving billionaire Abdelmoumen Khalifa, accused of illicit enrichment. Within only a few years, the young businessman—barely 49 years old—had managed to establish the Khalifa Group, which included a large bank and an airline.

Following the Khalifa affair came the East–West Highway case, one of the largest infrastructure projects in the country. Initially budgeted at around USD 6 billion, the project eventually consumed more than USD 17 billion. In 2015, Algerian courts sentenced 14 individuals to prison for corruption, money laundering, and embezzlement, while seven foreign companies were fined in connection with the case.

In the same year, another scandal emerged involving Sonatrach, one of the world’s largest hydrocarbon companies, responsible for 98% of Algeria’s foreign currency revenues. In 2012, the company reported export earnings of about 72 billion USD. Six executives faced corruption and money laundering charges as they attempted to offset sharp declines in oil prices. In early 2013, prosecutors in Algiers launched the Sonatrach two case, investigating corruption in contracts between Italy’s ENI Group and Sonatrach, in which a former Minister of Energy was suspected of involvement.

In light of these cases, it can be said that the Algerian government has, to some extent, succeeded in addressing corruption scandals by ensuring that many of those involved were prosecuted and imprisoned.

CONCLUSION

This paper on strategies to combat financial and administrative corruption in Algeria and promote economic development leads us to a number of conclusions and recommendations.

Key Findings

1. Algeria ranks among the most corrupt countries due to the absence of rule of law, political pressures on oversight bodies, and the impact of the terrorism crisis, which facilitated the embezzlement of public funds by both terrorists and politicians.

2. Despite multiple legislative sessions of parliament, many essential laws remain unadopted—particularly a comprehensive law against financial and administrative corruption—despite official discourse emphasizing anti-corruption strategies, especially in appointments and recruitment processes.

3. Misallocation of public funds and excessive spending on unproductive sectors provide fertile ground for theft, embezzlement, and other forms of corruption.

4. Restricting the powers of administrative and financial oversight bodies has weakened their capacity and diverted them from their intended goals.

5. The lack of scientific methodologies in the work of oversight bodies has increased opportunities for irregularities within both the institutions they monitor and the oversight bodies themselves.

6. Levels of cultural, educational, and social awareness—together with an understanding of corruption's dangers—are crucial in reducing its spread. Low awareness, in contrast, enables corruption to become deeply entrenched in state institutions, the private sector, and eventually society at large.

7. Ambiguities and inconsistencies in laws, regulations, and administrative instructions—combined with reliance on personal interpretation rather than legal norms—have encouraged officials to prioritize personal gain over the public interest.

Recommendations

1. Establishing a Civil Service Council as the sole authority for appointing public employees, thereby removing this power from ministers, directors-general, and political parties.

2. Forming a committee of legal experts to develop mechanisms for anti-corruption commissions and draft laws that close all loopholes exploited by corrupt actors to embezzle public funds.

3. Enforcing the principle of “Where did you get this?” by requiring senior officials to disclose their assets, financial interests, and those of their spouses and children.

4. Developing strategic economic plans, revitalizing productive development projects, and seeking the expertise of specialists in economic development to stimulate the Algerian market.

5. Establishing clear regulations and procedures for all state institutions and making them publicly accessible to prevent exploitation and extortion of citizens by officials.
6. Drawing on international legal, technical, and logistical expertise from specialized global institutions in the fight against financial and administrative corruption.
7. Strengthening the role of civil society organizations and independent bodies in detecting and combating corruption in cooperation with official oversight authorities.
8. Granting the press and committed media outlets access to information and ensuring legal protection for journalists so they can investigate and expose corruption cases.

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