

RESEARCH ARTICLE	An Analytical Approach to Algerian Economic Diplomacy and Its Effectiveness	
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Abstract		
Man has goals, objectives and ambitions in this life, and he may reach some of them and prevent barriers from others, for reasons that vary according to circumstances and the quality of goals and objectives. It is his nature that if he fails to reach his goal and goal, he is severely affected, and he finds himself in need of an outlet to get rid of those griefs. One of the outlets for laughter, which generates movement in a person because of it, is to get rid of painful emotions. One of the main ingredients in Arab anecdotes is the comic (the funny thing), which is created by special distinctive and varied modes of expression in which the writer elicits the laughter of the recipient either by surprise, by violating the horizon of his expectation and waiting, or by violating habit and custom. Laughter. What is that? What are the mechanisms and techniques that are generated by it in Arab anecdotes?		
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## Introduction

The third millennium represents a historic milestone in fulfilling Algeria's aspirations regarding its African dimension, as this has become one of the key strategies established by central authorities to serve Algeria's foreign policy.

Despite Algeria's considerable wealth in natural resources and raw materials, and its significance as a substantial consumer market, it is important to note that the nature of global conflict has shifted. Today, the central axis of global contention lies between the Global North and South, revolving around economic interests. This transformation comes amid broader geopolitical shifts and a reorientation of Algeria's foreign policy, aimed at rectifying past missteps and their adverse outcomes through the reform of economic mechanisms. The ultimate objective is to build a successive model that liberates the economy from excessive dependence on a single source—namely hydrocarbons.

Given this context, the present study raises the central research question: **To what extent has Algeria activated its economic diplomacy to address African affairs?** And what are the operational mechanisms available to confront the challenges facing Algeria's economic diplomacy?

To answer these questions, this research is structured into two main sections. The **first** addresses the international legal framework and strategic objectives of Algeria's economic diplomacy within the African context. It comprises two sub-sections: the first discusses the international legal framework of Algeria's Africa-focused diplomacy, while the second addresses its strategic goals. The **second section** covers the operational tools and challenges of Algeria's economic diplomatic system in Africa, also divided into two parts: one explores the legal and economic instruments employed to advance economic diplomacy, and the other highlights the challenges and proposes solutions.

This study adopts a **descriptive-analytical methodology** to reveal the reality of Algeria's diplomatic orientations towards Africa and their role in achieving national development, including the reconstruction of the local economy.

### 1. The International Legal Framework and Strategic Objectives of Algeria's Economic Diplomacy in Africa

Since its inception, Algeria's diplomatic mission has consistently pursued peaceful resolutions to international disputes and tensions, grounded in the principle of **diplomatic political dialogue**. This principle, being both a value and a strategic goal, is central to Algeria's efforts to reduce international frictions that hinder cooperation between states. Algeria's foreign policy has thus heavily invested in consolidating the values of peace across the continent through strategies focused on cooperation, development, and peaceful dialogue among diverse actors.<sup>1</sup>

#### The International Legal Framework of Algeria's Africa-Oriented Diplomacy

In 2023, Algeria became a **full member of the African Continental Free Trade Area (AfCFTA)**, having ratified the founding agreement in 2021. This agreement created the largest free trade area in the world in terms of member states—currently numbering 54—and encompasses a consumer market of over 1.3 billion people with a combined GDP of approximately \$3.4 trillion.

<sup>1</sup> Hakim Tassir, *The New Strategic Role of Algerian Economic Diplomacy Toward Sub-Saharan Africa*, Journal of Global Politics, Vol. 8, Issue 2, Ghardaia University, Algeria, 2024, p. 83

African leaders aim to reduce trade barriers and increase continental income by roughly **\$450 billion by 2035**.<sup>2</sup>

The volume of trade between Algeria and its African neighbors reached **\$4.6 billion in 2023**, an increase of \$1.18 billion from 2022, according to Algeria's National Agency for Foreign Trade (ALGEX).<sup>3</sup>

Algeria has also concluded **investment and capital protection agreements** with Sahel countries. These agreements aim to create a conducive environment for private investment across contracting states. They promote mutual economic cooperation based on equality and reciprocal benefit, while also encouraging the free movement of persons and capital and the exchange of essential information to support cross-border investments.<sup>4</sup>

The legal principles governing economic cooperation, however, often confront issues of **sovereignty**, especially when aligned with global trade standards that limit national discretion. Accession to trade liberalization agreements—such as those under the World Trade Organization—has notably constrained the classical notion of sovereignty. Consequently, states face restrictions that may prevent them from pursuing independent trade and investment policies.<sup>5</sup>

This legal framework also includes core principles such as **non-intervention** and **freedom of contract**, which impose obligations of good faith in treaty implementation. A treaty is valid only if its subject matter is lawful and does not conflict with existing international obligations. If it does, the treaty becomes void—for instance, when contradicting the United Nations Charter.<sup>6</sup>

The **Harvard Draft Convention on the Law of Treaties (1953)** further emphasizes that treaties should be interpreted according to their overall purpose, taking into account their historical context and subsequent state practice.<sup>7</sup>

Additionally, the principle of **good faith** in contracts manifests in several forms, notably in the performance of obligations. Civil law interprets this to require **honesty, cooperation, integrity**, and the avoidance of harm to the contractual partner.<sup>8</sup>

Thus, a party must fulfill the contract not only according to its express terms but also in line with good faith, including secondary obligations not explicitly stated but implied by the contract's binding nature.<sup>9</sup>

### Strategic Objectives of Algeria's Economic Diplomacy in Africa

The structural and functional nature of economic diplomacy has undergone transformation, revealing the growing complexity and interdependence in global economic interactions. This evolution is driven by the increasing involvement of **non-state actors**, necessitating a broader and more responsive economic diplomatic approach.<sup>10</sup>

Strategic economic goals now include not only national development and securing economic interests but also influencing other states' behaviors. Some objectives are political in nature, such as reshaping regional alliances, but

<sup>2</sup> www.aljazeera.net, accessed 01/03/2025 at 15:52

<sup>3</sup> www.entv.dz, accessed 01/03/2025 at 16:07.

<sup>4</sup> : Arab Convention on the Promotion and Protection of Investments and the Movement of Capital, 2000.

<sup>5</sup> Mohamed Ramadan, *The Impact of WTO Agreements on the Principle of Sovereignty in International Law*, Egyptian Journal of International Law, Vol. 77, Issue 77, 2021, p. 38.

<sup>6</sup> Abdelkarim Alwan, *Intermediate Text in Public International Law*, Dar Al-Thaqafa, 1997, p. 289; UN Charter, Article 103.

<sup>7</sup> Harvard Draft Convention, Article 19, 1953.

<sup>8</sup> Nabil Ibrahim Saad, *General Theory of Obligation*, New University Press, Egypt, 2004, pp. 286–287.

<sup>9</sup> Yahya Ahmed bin Taha, *The Principle of Good Faith in Contract Execution*, Ph.D. Thesis, Amman Arab University, 2002, p. 190

<sup>10</sup> Abdelhamid Mchari, *Challenges of Algerian Economic Diplomacy Amid Interdependence*, University of Boumerdes, 2022, p. 1.

all share a foundational focus on promoting mutual economic prosperity.<sup>11</sup>

Algeria's economic diplomacy seeks to:

Attract foreign investment through diplomatic channels;

Establish comprehensive trade databases;

Provide economic studies to potential investors;

Facilitate trade negotiations and agreements;

Enable networking between business delegations;

Support bilateral investment initiatives.

These activities involve leveraging **economic assets and relationships** to enhance cooperation, ensure political and economic stability, and negotiate through multilateral platforms like the **World Trade Organization** and **OECD**.<sup>12</sup>

Ultimately, economic diplomacy uses the state's **political leverage and economic tools** to secure its interests, both domestically and internationally. It encompasses a range of cross-border activities—exports, imports, investment, loans, and aid—undertaken by both governments and private entities.

Its growing importance stems from:

The internationalization of production through **multinational corporations**;

The dominance of global financial institutions and conglomerates in political decisions;

The restructuring of management systems to accommodate **global governance** models

Furthermore, Algeria's openness to the global economy necessitates revitalizing economic diplomacy to enhance its image via **tourism and investment**, contributing to sustainable development and global integration.

## 2. Executive Tools and Challenges of Algeria's Economic Diplomacy in Sub-Saharan Africa

Economic diplomacy plays a vital role in shaping modern economic systems. This is evident in the valorization of economic and political relations between countries under globalization, with the aim of achieving regional or international mutual interests, especially through diversification of economic partners in the post-COVID-19 era. The pandemic led to transformations in global economic dynamics, fostering the emergence of new economic blocs and entities that profoundly impact international economic and political relations. This has been highlighted by various global platforms.<sup>13</sup>

Accordingly, the adoption of economic diplomacy as a contemporary tool for statecraft has become more of a necessity than an option. It promotes enhanced cooperation between nations on political, economic, and security

<sup>11</sup> Asma Ayyat & Abdel Salam Makhloufi, *Economic Diplomacy in the Age of Economic Intelligence and Globalization*, Journal of Economic Poetry, Issue 1, Edition 5, 2019, pp. 417-418

<sup>12</sup> Firoz Meziani, *Algerian Economic Diplomacy Amid Regional and International Transformations*, Algerian Journal of Security and Development, Vol. 15, Issue 8, 2019, p. 197.

<sup>13</sup> Nassira Khawas, *The Necessity of Activating Economic Diplomacy to Attract Foreign Investment in Algeria as a Strategy for Economic Diversification after COVID-19*, Algerian Journal of Legal and Political Sciences, no. 58, vol. 2 (2021): p 315

fronts. Active economic diplomacy facilitates integration into global markets, projecting the host country's investment potential across various sectors.

Economic diplomacy also plays a key role in offering financial and technical support to domestic companies, while helping balance the influence of foreign firms operating locally. It contributes to securing foreign currency, transferring advanced technology, and utilizing the expertise of the Algerian diaspora. Moreover, it encourages emigrants to invest in their homeland, supported by the establishment of overseas bank branches and the development of exports toward untapped markets—especially African countries, Latin America, and the Gulf. Such ambitions require both financial resources and robust logistical infrastructure, such as the Trans-Saharan Highway connecting Algeria to Tunisia, Niger, and Chad<sup>14</sup>

## 2.1. Legal and Economic Tools for Implementing Economic Diplomacy

Economic diplomacy manifests in various forms. Bilateral diplomacy stands out as a central mechanism for managing international economic relations. When practiced between two nations, it typically involves formal bilateral agreements aimed at boosting inter-state trade, facilitating the movement of individuals, and encouraging capital flows. This often helps prevent double taxation and customs overlaps. Moreover, informal agreements between private-sector entities in both countries further support these goals.<sup>15</sup> Yet, such arrangements tend to benefit the stronger negotiating party, potentially enabling it to exploit the weaker one.

In cases where strong and weak states enter into agreements, the resulting disparities in economic standards often translate into imbalanced obligations favoring the more dominant partner.<sup>16</sup>

Regional diplomacy, on the other hand, focuses on intra-regional agreements aimed at avoiding double taxation and customs tariffs, opening up markets, and liberalizing economies.<sup>17</sup>

This form of diplomacy aims to foster a cooperative environment among states that are geographically proximate or share cultural and developmental characteristics.

A third form is multilateral diplomacy, practiced through entities such as the OECD, the WTO, and the G20. These platforms enable coordinated economic stances among like-minded countries and facilitate the formulation of joint policies through structured forums.<sup>19</sup>

Economic diplomacy employs a wide range of instruments to realize its objectives. These include tariff and customs policies used either as preventive measures or in accordance with the principle of reciprocity. Preferential

<sup>14</sup> Amina Boudrioua, *Analysis and Assessment of the Role of Algerian Economic Diplomacy in Africa*, *New Economy Journal*, vol. 18, no. 1 (2023): p 138.

<sup>15</sup> Hamza Taybi, *Economic Diplomacy: A Key to Global Economic Integration*, *Journal of Economic and Financial Research*, University of Oum El Bouaghi, vol. 1, no. 6 (2019): p46.

<sup>16</sup> Mounir Abu Rahma and Rafida Mebarek, *Activating Algerian Economic Diplomacy: A New Mechanism for Economic Growth and Political Relevance*, *Global Politics Journal*, vol. 6, no. 6 (2022): p 664.

<sup>17</sup> Bilal Othman and Ben Dhab Abdallah, *Algeria's Economic Diplomacy and Its Role in Diversifying Foreign Trade Partners*, *Bashaer Economic Journal*, vol. 1, no. 9 (2023): p167.

<sup>18</sup> Taybi, *op.cit*, p47.

<sup>19</sup> Othman and Abdallah, *op.cit*, p 67.

tariffs are also implemented to benefit select states based on mutual interests or political ties. In addition, states may offer grants and concessional loans, provide export subsidies, or adopt non-market pricing for public sector products. Governments may also impose technical production standards or quotas to regulate imports and exports.

Moreover, investment policies may include restrictions on capital movement, high taxes on foreign direct investment, or, conversely, incentives such as full or partial tax exemptions for specified periods. These interventions help shape the structure of a state's external economic relations and support market efficiency. International organizations also contribute to cultivating a favorable economic environment through financial and institutional support.<sup>20</sup>

## 2.2. Challenges and Proposed Solutions

Africa's geographic, economic, social, and demographic landscape presents Algeria with strong incentives to develop tailored diplomatic, economic, and political strategies. Algeria's growing diplomatic and security engagements across Africa reflect a broader shift in its foreign policy priorities. One of the clearest manifestations of this shift is Algeria's involvement in **NEPAD** (New Partnership for Africa's Development), which serves as a key framework for economic cooperation between Algeria and its African counterparts.

Algeria is a pivotal player in this equation, particularly in advancing sustainable development across the continent. Through the Millennium Development Goals, NEPAD prioritizes sectors such as information and communication technologies and regional security—sectors that are crucial for attracting foreign direct investment.

In 2010, Algeria took a proactive development stance by canceling approximately \$900 million in debt owed by 14 African countries. At the institutional level, the Ministry of Foreign Affairs established a specialized office to assist Algerian business operators abroad, especially those engaged in export or foreign partnerships.<sup>21</sup>

Algeria has also embraced the “Agenda 2063” reform initiative of the African Union, which aims to align the continental body with the developmental aspirations of African peoples. Algeria has expressed its commitment by swiftly signing the African Continental Free Trade Area (AfCFTA) agreement, underscoring its intent to enhance intra-African trade.

The country continues to champion South–South cooperation as a foundational approach to fostering economic and social development across Africa. Several flagship infrastructure projects symbolize Algeria's integration ambitions, including the Trans-Saharan Highway, the Algeria–Lagos gas pipeline, the major port of El Hamdania, and a cross-border fiber optic project linking Algeria and Nigeria. These projects reflect Algeria's strategic emphasis on bilateral cooperation as a pathway toward elevating economic ties to the level of its political relations.

In practical terms, Algeria has worked to operationalize bilateral cooperation mechanisms such as joint commissions, business councils, and public–private partnerships. These tools aim to create legal and institutional frameworks that support increased economic and trade exchange, ultimately serving the mutual interests of Algeria and its African partners.<sup>22</sup>

<sup>20</sup> Halima Massoud, *Economic Diplomacy: Conceptual and Applied Dimensions*, *Journal of Law and Human Sciences*, vol. 1, no. 15 (2022): p 652–653.

<sup>21</sup> Othman and Abdallah, op.cit, p 169.

<sup>22</sup> "Ministry of Foreign Affairs – Algeria," accessed March 3, 2025, at 00:50, [www.mfa.gov.dz](http://www.mfa.gov.dz).

Nonetheless, despite these extensive efforts, Algeria's trade volume with African countries remains modest compared to its global commercial relations. However, promising indicators suggest that Algeria is well-positioned to expand its economic diplomacy through the AfCFTA by targeting high-demand products for African markets.<sup>23</sup>

Amidst a shifting global order increasingly shaped by China, Algeria's economic and geopolitical positioning becomes more salient. Its anticipated entry into the **BRICS** group signals strategic alignment with emerging powers and provides opportunities to leverage the continent's economic potential.<sup>24</sup>

Geographically, Algeria is Africa's largest country by land area, and its southern city of Tamanrasset is closer to five African capitals than to Algiers. The city is 1,575 km from the national capital but just 1,049 km from Niamey (Niger), 1,353 km from Tripoli (Libya), 1,380 km from Ouagadougou (Burkina Faso), 1,543 km from Abuja (Nigeria), and 1,557 km from N'Djamena (Chad). This geographic proximity underscores Algeria's potential as Africa's northern gateway.

## Conclusion

Economic diplomacy is conducted by active national actors, including governmental and official institutions. It plays a central role in managing foreign trade and attracting investment—particularly within Africa. This contributes to Algeria's global economic integration.

Algeria's economic diplomacy relies on various tools, including customs and tax incentives, to attract foreign capital and highlight national economic assets. Based on the foregoing analysis, several conclusions emerge:

Economic diplomacy enhances Algeria's access to African financial and technical resources and facilitates technology transfer and diaspora engagement.

It also addresses cross-border challenges such as terrorism and regional conflict, which directly affect Algeria's security due to its geographic and continental affiliations.

The African Continental Free Trade Area represents the world's largest trade bloc and has the potential to accelerate intra-African trade and sustainable growth.

Despite numerous multilateral and regional agreements, actual trade between Algeria and African states remains limited, partly due to inadequate implementation mechanisms, as noted by the National Statistics Office.

In the evolving global context, Algeria seeks to align itself with the Chinese Belt and Road Initiative, leveraging its strategic location to facilitate African market access. This positioning could enhance Algeria's prospects for full BRICS membership.

## Recommendations

1. Strengthen Algeria-Africa cooperation frameworks and take concrete steps to implement joint development initiatives.
2. Improve the investment climate in Algeria by combating corruption and bureaucratic inefficiencies to attract foreign direct investment.

<sup>23</sup> Boudrioua, op.cit, p150.

<sup>24</sup> Charifa Kalaa, *Toward Algeria's Accession to the BRICS: Requirements and Gains*, *Political Arenas Journal*, vol. 1, no. 7 (2023); p 108-109.



3. Establish technical-economic research offices to evaluate project feasibility and cost-efficiency, thereby enhancing the global competitiveness of Algerian products.

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