

Doing Business in Algeria | Algerian Social and Business Culture

An Algerian Culture Overview

Fact File

- **Official Name** – People's Democratic Republic of Algeria/ الجمهورية الجزائرية الديمقراطية الشعبية
- **Head of State** – Abdelaziz Bouteflika
- **Population** – 34,178,188*
- **Official Languages** – Arabic, French and Berber dialects
- **Currency** – Algerian Dinar
- **Capital City** – Algeria
- **GDP** – purchasing power parity \$235.5 billion**
- **GDP Per Capita** – purchasing power parity \$7,000**



Overview

Algeria faces the Mediterranean to the north and has a mountainous region, the Ahaggar Mountains, in the south bordering the Sahara Desert. The country has a long history linking it with its European neighbours across the sea. The Phoenicians, Romans, Arabs and the French have all left their mark on Algeria giving it a rich cultural heritage. Approximately 99% of Algerians are of Berber origin while a smaller number of Algerians identify themselves as Arabs. The majority of the population are Sunni Muslims. Arabic is the state language of Algeria, although French and various Berber dialects are widely spoken. Doing business successfully in Algeria requires a comprehensive understanding of Algerian cultural values and attitudes and their impact on working practices.

Algerian Culture - Key Concepts and Values

Ethnic Diversity – Algeria is home to both Arab and Berber populations. The Berber population tends to be in a number of distinct clan bases while the Arab population can be found throughout the country. Despite the ethnic diversity, there is a feeling of unity in the country particularly around specific historical events such as the struggle for independence from France in the 1950s and 1960s.

Religion – The majority of Algerians are Sunni Muslim. A century old, but now rather depleted, the Jewish population is mainly in the capital Algiers. There are also around 400,000 Protestants and Catholics in the country. In the clan regions of Algeria a small number of Berbers still practice the ancient Berber religion. Islam plays a fundamental part in the life of Algerians, and is present in most aspects of their lives.

Time – Punctuality is not viewed as being as important in Algeria as in other countries. In the work place the most senior member of staff will set the standard with regards to time. This being so, absenteeism is still viewed as being counter-productive. Patience is a valued attribute within Algerian society and especially within business settings.

Doing Business in Algeria

Algeria has two key industries producing the majority of the country's income – oil and natural gas. Due to the nature of its climate, the country has a small agricultural sector and relies greatly on food imports. The turbulent post-independence years saw civil unrest in the 1980s and then finally civil war and periods of terrorist activity throughout the 1990s. As a result of these crises the Algerian economy has suffered considerably. Since 2002, the situation has begun to improve with closer economic links to the European Union and there has been a substantial boost in trade in and out of the country. Commerce in Algeria still centres mainly on the 'Souk', an open-air market place, where one will find the staples for everyday life. Due to the poor state of the economy and the recent global downturn, the job market in Algeria remains stagnant. However Algeria is a growing and fast-improving country with a unique culture that must be understood before doing business in Algeria.

Algerian Business Part 1 - Working in Algeria

- **Working practices in Algeria**
 - The working week in Algeria runs from Saturday to Thursday. Most businesses start work at 8:30 and work until 12:00, with a 2-2 ½ hour break for lunch. Work in the afternoon begins again at 14:30 until about 17:30.
 - Appointments should be made in advance. It is the normal practice in Algeria to confirm an appointment or meeting one or two days prior to holding it.
 - During the month of Ramadan many Algerians fast from sunrise to sunset. Avoid making appointments during this period.
 - French and Arabic are the primary languages used for business. Having a basic knowledge of these two languages may help break the ice and make negotiations run more smoothly.
- **Structure and hierarchy in Algerian companies**
 - Decision making within Algerian companies works on a three-fold basis. Firstly from the most senior members of a company down to middle management; secondly by middle management on their own initiative; and finally through inclusive consultation with middle management and less senior members of staff.
 - Education is of high importance within Algerian society. A good education is respected by employers and colleagues.
 - Algerians attach a lot of importance to titles and seniority. These must be respected and used at all times when conducting business and in writing correspondence and emails.
- **Working relationships in Algeria**

- Perspectives on 'personal space' differ from those of Northern Europe and America. It is not unusual for men to stand very close and hold each other's arm whilst in conversation.
- Business appointments or meetings are normally held within the confines of the office. It is rare to hold them in restaurants or bars. Business will rarely be done in an Algerian's home, over a meal as in some parts of Europe.
- As a result of its recent history, trust figures very highly within Algerian business and society. Trust must be gained before a working relationship can move forward.

Algeria Business Part 2 - Doing Business in Algeria

o Business practices in Algeria

- Businesses are closed on Fridays and Saturdays in Algeria, as this is the Muslim Sabbath, so be aware of this when scheduling meetings or business events.
- Business attire is formal in Algeria. Men wear suits and ties, women wear long dresses or skirts which reach below the knee. Women should also avoid wearing low-cut blouses to respect the beliefs of Islam.
- Business cards are best translated, with French on one side and Arabic on the other. When presenting a business card to a colleague or business partner the right hand should be used. The reason for this is that in Algeria, as in many other Arab countries, it is thought the left hand should only be used for dishonourable activities.

Algerian Business Etiquette (Do's and Don'ts)

- ✓ DO shake hands with your colleague or guest before commencing a discussion or meeting. Ask about a colleague and their family's health.
- ✓ DO respect an Algerian colleague's position and title. On first meeting them, use their full title if they have one.
- ✓ DO give gifts as a way of forming a better relationship with Algerian colleagues.
- ✗ DON'T use your left hand when accepting a business card. The left hand is seen as only being fit for dishonourable activities.
- ✗ DON'T refuse hospitality when it is shown to you. Algerians place a great deal of importance on hospitality and if you are offered coffee or a small pastry, you should always accept.
- ✗ DON'T use your finger to point. This is viewed as highly uncourteous by Algerians.

Algeria Culture Quiz - True or False

1. Using your left hand to accept business cards is the accepted way in Algeria.
2. Women should not wear short skirts or low-cut blouses.
3. Titles have little importance in Algerian business culture.
4. An appointment should be made in advance.
5. Asking after an Algerian colleague's health is frowned upon.

Algeria Culture Quiz - Answers

1. False. Like much of the Arab world, the left hand is seen as being only for dishonourable activities.
2. True. As a woman in Algeria, you are expected to dress modestly and not show too much.
3. False. Algerians place a lot of importance on one's title and seniority.
4. True. Appointments should be made in advance and confirmed 1-2 days before.
5. False. On greeting an Algerian colleague you should ask after their health. However do not ask them about any female members of their family as this could be considered disrespectful.

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* Source: CIA World Factbook 2009

** Source: CIA World Factbook 2008

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