

The Slow Economic Growth in Algeria: A Comparative Study with Respect to South Korea

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The slow growth of Algeria is analyzed in this paper, by comparing the economic growth between Algeria and South Korea, over the period from 1970 to 2010. Both countries were nearly at the same development level at the beginning of the 1960s. Nevertheless, the South Korean economy was ranked 15th in the world in 2010, while Algeria remained underdeveloped. The results obtained show that human capital and physical capital cause the economic growth in the two countries under study. However, the elasticities of productivity with respect to human and physical capital are higher in South Korea. Human capital elasticity in South Korea is two and a half times higher, whereas the physical capital elasticity is twice as high. © 2015 The Authors. African Development Review © 2015 African Development Bank