

The Role of Smaller Towns in Algeria: An Urban and Economic Perspective

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Abstract

This paper examines the vital role of smaller towns in Algeria's urbanization, highlighting their influence on national and regional dynamics. As Algeria reflects global urbanization trends, disparities remain between the north and south. Smaller towns—urban centers with populations of 5,000 to 50,000—serve as key links between rural and urban areas, facilitating trade, services, and regional integration. Using census and economic data, the study employs quantitative analysis to evaluate their functions. Despite financial and administrative hurdles, these towns are crucial for promoting regional balance and easing urban concentration. The paper advocates policies to enhance infrastructure, economic opportunities, and services in small towns, emphasizing their significance for sustainable development and for reducing spatial inequalities in Algeria's growing urban landscape.

Keywords

Smaller Towns, Urbanization, Regional Dynamics, Economic Activities, Algeria

Izvleček

Vloga manjših mest v Alžiriji: urbani in gospodarski vidik

V prispevku preučujemo vlogo manjših mest v urbanizaciji Alžirije in izpostavljamo njihov vpliv v nacionalnem in regionalnem kontekstu. Čeprav Alžirija odraža globalne trende urbanizacije, ostajajo razlike med severom in jugom države. Manjša mesta – urbana središča s 5.000 do 50.000 prebivalci – služijo kot ključne povezave med podeželskimi in urbani območji, saj so to središča trgovine, storitev in regionalnega povezovanja. Študija z uporabo popisnih in gospodarskih podatkov kvantitativno analizira njihove funkcije. Kljub finančnim in upravnim oviram so ta mesta ključnega pomena za spodbujanje regionalnega ravnovesja in zmanjšanje koncentracije v velikih urbanih območjih. V prispevku zagovarjamo politike za izboljšanje infrastrukture, gospodarskih priložnosti in storitev v majhnih mestih, pri čemer poudarjamo njihov pomen za trajnostni razvoj in zmanjšanje prostorskih neenakosti v rastoči urbani krajini Alžirije.

Ključne besede

manjša mesta, urbanizacija, regionalna dinamika, gospodarske dejavnosti, Alžirija



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1 Introduction

Urbanization is a transformative process that continues to reshape societies worldwide, characterized by the increasing concentration of populations in urban areas (Tisdale, 1941). In recent decades, this phenomenon has accelerated due to factors such as natural population growth, rural-to-urban migration, and the formation of new urban settlements (Kojima, 1996). Algeria follows this global trend, with urbanization emerging as a defining feature of its socio-economic landscape. Understanding urban dynamics is essential, particularly in the context of smaller towns, which serve as crucial intermediaries linking rural and urban regions (Camagni et al., 2014).

The Algerian urban system exhibits pronounced regional disparities. The northern provinces, especially along the Mediterranean coast, have undergone rapid urbanization driven by economic opportunities and favorable geographic conditions. In contrast, the southern regions, constrained by harsh desert environments and limited economic resources, experience slower urban growth, highlighting an uneven distribution of development (Saidi et al., 2023). Within this framework, small and smallest urban settlements constitute vital yet often overlooked components of Algeria's urban network. These towns collectively accommodate a significant portion of the urban population, functioning as key centers for economic activity, social integration, and regional development. They play a crucial role in promoting balanced growth and addressing spatial inequalities by facilitating connections between rural areas and larger cities.

This paper aims to address two key objectives. First, it seeks to analyze the role of Algerian smaller towns within the broader urban network, assessing their contribution to national urbanization trends and their significance in shaping regional dynamics. Second, it examines the sectoral distribution of economic activities in these towns, identifying patterns and disparities that reflect underlying socio-economic conditions. This study aims to contribute to a more nuanced understanding of Algeria's urbanization by addressing these objectives, with a particular emphasis on the importance of smaller towns in fostering regional balance and resilience. The findings underscore the need for targeted policies that enhance infrastructure, economic opportunities, and service accessibility in smaller towns, thereby promoting sustainable and inclusive urban development nationwide.

1.1 Theoretical background

Urbanization, marked by the increasing concentration of populations in urban areas, has accelerated significantly in recent decades (Annez & Buckley, 2009). In 1900, only 15% of the global population lived in cities, but this figure rose to 51% (3.6 billion people) by 2010 and is projected to reach 70% (6.3 billion) by 2050 (United Nations, 2018; Zinkina et al., 2017). Urbanization involves the concentration of populations and the spread of urban lifestyles into rural areas (Kumar, 2017). This process is primarily driven by rural-urban migration, natural population growth, and the expansion of cities, although urban areas typically experience lower natural growth rates compared to rural regions (Cohen, 2006). As Davis (2020) notes, urbanization signifies a growing proportion of urban dwellers relative to rural populations, with migration playing a crucial role in this transition.

Jacobs (2013) describes cities as central hubs of social, political, and economic activity, functioning as focal points and connectors at local, regional, national, and international levels. As these spatial dimensions continuously interact, cities evolve within a dynamic and ever-changing context. In analyzing urban growth, Jacobs (2013) identifies twelve contextual variables that shape the diverse trajectories of city regions globally, highlighting the complex interplay between local, national, and global forces. Historical context is a critical factor, as a city's founding period and subsequent political, social, and technological developments influence its growth. Natural features, such as ports, mineral resources, or fertile land, contribute to economic and industrial viability. Geographical location significantly impacts access to markets and global trade networks, while population characteristics—such as demographic trends and educational attainment—play an essential role in labor market readiness and cultural development. A city's economic structure, shaped by industrial diversity and infrastructure, aligns closely with broader national and global economic trends. Institutional frameworks determine the adaptability of local governance in addressing urban challenges, while government structures—whether centralized or federal—impact intergovernmental coordination and policy execution. The national development context, including regulatory frameworks and developmental strategies, sets constraints and opportunities for urban expansion. Furthermore, global events, such as economic crises or geopolitical shifts, as well as supranational regional dynamics—such as EU integration or trade agreements—further influence urban economic trajectories. The sub-national context, which includes interactions within and among neighboring regions, emphasizes the importance of inter-regional cooperation. Finally, external factors such as international trade, migration, and cultural exchange strengthen the broader global networks that influence the development of city regions.

Towns emerge and flourish due to three primary factors: spatial advantages, agglomeration benefits for firms, and agglomeration advantages for consumers. Spatial advantages arise from proximity to essential resources such as raw materials or transportation hubs, which attract firms to locations where operational costs are minimized (O'Sullivan, 2000). Firms also benefit from agglomeration through cost reductions, improved access to labor markets, and risk mitigation by forming supportive business clusters that help navigate market fluctuations (McCann, 2004). Additionally, the concentration of consumers in urban areas reduces transportation costs and stimulates demand for a diverse range of goods, fostering non-price competition, particularly in industries focused on product quality (Lösch et al., 1954). The location and scale of towns reflect these economic forces and are deeply connected to broader urban systems shaped by transportation networks, logistics, and industrial specialization (McCann, 2004). Pile (1999) identifies three defining characteristics of cities: their density, their diverse social fabric, and their function as hubs within communication networks. He and Doreen Massey argue that the spatial characteristics of cities—marked by density and diversity—generate distinct social effects through "dense networks of interaction." Twentieth-century urban theorists have recognized these effects, including increased social detachment, the rise of civic associations beyond familial ties (Mumford, 1938), and greater tolerance of social differences (Wirth, 1938). Cities serve as multifaceted spaces for work, consumption, leisure, and creativity, facilitating both integration and separation of different aspects of life. Sudjic (1993) argues that contemporary sprawling metropolises, unlike traditional cities, pose greater challenges to comprehension, as they are structured around large-scale infrastructure—such as highways and mass transit—rather than

pedestrian-friendly layouts, resulting in our understanding of urban spaces lagging behind these rapid transformations.

Each country employs its own method for classifying cities, drawing on various factors. These classifications are often based on population density and the size of urban centers within a given region (OECD, 2011, although they may also incorporate functional or historical criteria (Dijkstra and Poelman, 2012)). Such classifications are crucial in understanding urbanization patterns and guiding urban planning efforts. The methodology recommended by the United Nations Statistical Commission for defining cities and urban areas is particularly important for ensuring consistency in international and regional statistical comparisons (GHSL, n.d.). Different nations apply various criteria to categorize urban areas, including population size, density, economic activities, and social factors (US Census Bureau, 2020). For example, Japan defines cities based on population size, housing density, and economic activity, while India uses population thresholds, occupational structure, and density as key determinants (Ritchie et al., 2018). These diverse approaches highlight the complexity of urban classification and reflect each country's unique characteristics and priorities in defining and managing urban areas.

In Africa, urbanization largely remains in its early stages, characterized by rapid yet unregulated growth, exacerbated by colonial legacies and recent neoliberal policies that have weakened urban planning institutions. Many African countries display a highly monocentric urban structure, where a single city—often the capital—dominates in terms of population, economic activity, and political influence. This urban primacy presents significant challenges, especially in providing essential services. The roots of mismanagement and inadequate infrastructure can be traced back to colonial-era institutional frameworks, compounded by ongoing political instability. Additionally, many African nations lack dedicated urban planning and development departments, while restrictive zoning laws in central urban areas have inadvertently contributing to the proliferation of slum and uncontrolled urban sprawl (Elmqvist et al., 2013). Small towns in Africa, as well as in Asia and Central America, are often more influenced by regional and national economic policies than by their own characteristics (Hinderink and Titus, 2002). Factors such as national policy impacts, uneven market access, competition from larger cities, fragmented trade relations, and limited local resources hinder their economic diversification. African small towns, in particular, act as crucial intermediaries between urban and rural areas, blending agricultural and non-agricultural activities (Wisner et al., 2015). They face significant challenges, including outmigration and reliance on the informal economy, largely due to underdeveloped infrastructure (Parnell & Pieterse, 2014). Often functioning as market centers for rural areas, these towns play a crucial role in facilitating the exchange of goods and offering some resilience against climate impacts. Nonetheless, their economies remain vulnerable to external pressures such as market fluctuations and policy shifts. Furthermore, these towns struggle to attract diverse funding sources due to limited economies of scale, legal constraints, and weak management capacity, which tend to channel investments toward larger cities (IPCC, 2014; Simon, 2014).

Several scholarly works examine the evolution of Algeria's urban system. Côte (1978) analyzed Algiers' position in the urban hierarchy, arguing that the capital's labor force is three times larger than Oran's, highlighting its anomalous status. In his 1994 study, Côte identified key features of urbanization post-independence, including a rapid increase in urbanization, rural migration, coastal concentration, the rise of industrial hubs, and an unstable urban hierarchy due to a lack of smaller urban centers (Côte,

1994). Belkhatir (1999) addressed three major challenges: economic disintegration of cities, overconcentration of population and resources in the Tell, and desertification. He proposed solutions such as accelerated urbanization, a competitive market economy, improved infrastructure, and decentralization. Raham et al. (2004) focused on the administrative division in eastern Algeria, suggesting that territorial reorganization should consider spatial, social, and economic factors, emphasizing the development of urban networks, infrastructure, and regional institutions. Kateb (2003) highlighted the stark contrast between prosperous coastal agglomerations and the underdeveloped interior, noting that small and medium-sized towns are increasingly important as urban settlements grow. Lastly, Saidi et al. (2023) analyze the processes of urbanization and the structure of the urban network in Algeria, focusing on the dynamics of urban growth, the significance of small towns, and the regional disparities that characterize the country's urban landscape. She also included a case study of a small Algerian town in her latest study (Saidi et al., 2024).

2 Methodology

Algeria is located in the Southern Mediterranean region, in North-West Africa, and at the heart of the Maghreb. Covering an area of 2,381,741 km², Algeria ranks as the 10th largest country in the world and the largest in Africa. It shares borders with several countries, including Tunisia and Libya to the east, Niger and Mali to the south, Mauritania and Western Sahara to the southwest, Morocco to the west, and the Mediterranean Sea to the north. This strategic location makes Algeria an important player geopolitically and economically in both Africa and the Mediterranean. Geographically, Algeria is divided into three major zones: the fertile coastal strip and Tell Atlas in the north, the extensive highlands in the center, and the vast Sahara Desert covering over 80% of the landmass in the south (Jules, 1859). Each of these zones is divided into three regions, resulting in a total of nine regions (Figure 1), each with unique environmental, socio-economic, and demographic features that influence settlement patterns and development trends. The northern regions are the most urbanized and densely populated, hosting major cities like Algiers, Oran, and Constantine, which serve as administrative, economic, and political centers. The highlands support agriculture and contain small to medium-sized towns that are gradually gaining regional importance. Conversely, the southern regions, although sparsely populated, are rich in hydrocarbons and have become prominent in discussions about environmental sustainability, energy policy, and regional equity.

Historically and culturally, Algeria's urban development has been influenced by a wide range of factors. Its Mediterranean coastline allowed contact with ancient civilizations such as the Phoenicians, Romans, and Ottomans, whose legacies are visible in coastal cities through trade networks and architectural heritage. Islamic urban traditions, seen in medinas, mosques, and souks, reflect religious and cultural norms shaped during the Arab-Islamic expansions, especially under the Umayyad and Abbasid Caliphates. The French colonial period introduced European planning principles and administrative segregation, leaving a lasting impact on Algeria's urban form and social geography. In the south, cities like Tamanrasset and Ghardaia adapted to harsh desert conditions, including water scarcity and remoteness, leading to unique urban strategies. Today, Algeria's urban system is a complex blend of Mediterranean, Islamic, African, and colonial influences. While coastal cities are increasingly connected to global networks, they still contend with colonial legacies, socio-spatial inequality, and the urgent needs of sustainable urban growth amid rapid population increase.

The Algerian urban settlements are classified according to Table 1.

Type of urban settlements	Definition
Large cities	Urban concentration with a total population of at least 100,000 inhabitants.
Medium-sized towns	Urban concentration with a population between 50,000 and 100,000 inhabitants
Small towns	Urban concentration with a population between 20,000 and 50,000 inhabitants.
Smallest urban settlements	Urban concentration with a population between 5,000 and 20,000 inhabitants

Table 1: Classification Algerian urban settlements of urban settlements.

Source: Authors; Data: Loi n° 01-20 (2001), Loi n° 06-06 (2006).

This paper examined smaller towns as a group of small towns and the smallest urban settlements, characterized by a population between 5,000 and 50,000 inhabitants. The paper aimed to answer the following questions:

- What is the place of the Algeria's smaller towns in the urban network?
- What is the geographical and sectoral distribution of economic activity across the Algeria's smaller towns?

To answer the questions above, this paper is based on a quantitative analysis that employs, on the one hand, the Algerian general censuses of 1987, 1998, and 2008 (ONS, 2025) to examine the position of smaller towns within the Algerian urban network and on the other hand, the Algerian economic census of 2011 (ONS, 2025) to analyze the economic statistics of Algeria concerning smaller towns. This analysis employs the Location Quotient (LQ), a key analytical tool in economic geography and regional planning. It assesses the degree of concentration or specialization of a specific industry or sector within a defined geographic area relative to a larger reference region (Isserman, 1977). The LQ determines the extent of economic specialization in smaller towns. An LQ value exceeding 1.5 indicates a notable concentration or overrepresentation of a given economic activity within the area. It is important to note that Algeria's most recent general census dates back to 2008, as the scheduled 2018 census was delayed—first due to financial limitations, then further postponed to September 2022 because of the COVID-19 pandemic, and its results have not been published yet, while the economic census of 2011 was the first and last on the economic side. To analyze this data, we used Excel (Microsoft Corporation, Version 2019), SPSS (Version 26), and ArcMap (Version 10.4.1) software to visualize the results clearly.

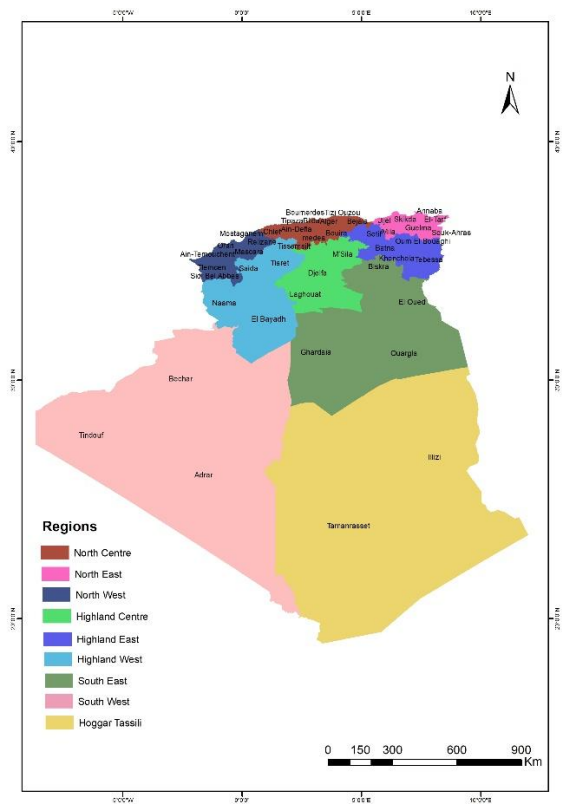


Figure 1: The nine Algerian regions.
Source: Authors; Data:ONS, 2025

3 Results

3.1 4.1Smaller Towns in the Urban Network

Figure 2 illustrates Algeria's demographic transition by depicting the evolution of the rural and urban populations alongside the urbanization rate from 1960 to 2023. The graph presents key trends highlighting the country's shift from a predominantly rural society to one with increasing urban dominance. Between 1960 and 2023, the urban population has consistently increased, while the rural population has remained relatively stable, with minor fluctuations. This trend indicates a significant rural-to-urban migration driven by factors such as industrialization, economic opportunities in cities, and improved infrastructure. In 1960, the rural population was much larger than the urban population. However, by 1987, the two populations had become nearly equal, indicating a significant demographic shift. From 1998 onward, the urban population exceeded the rural population substantially, with the gap widening significantly in the subsequent decades. By 2023, the urban population reached its highest level, surpassing 25 million, while the rural population stayed below 10 million.

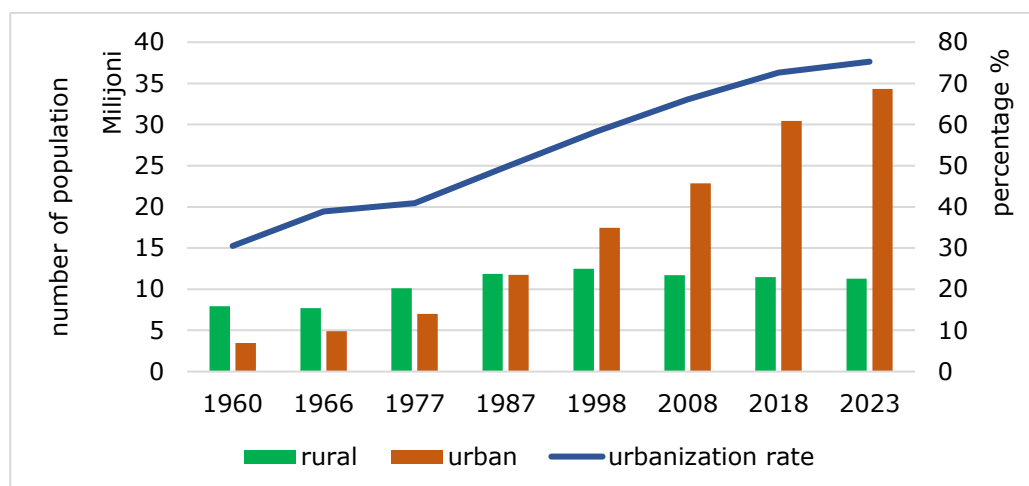


Figure 2: Evolution of urban and rural population and urbanization rates in Algeria from 1886 to 2023.

Source: Authors; Data: Macrotrends.2025

The urbanization rate has consistently followed an upward trajectory over the studied period. Beginning at a relatively low percentage in 1960, the rate has steadily increased, surpassing 50% around the late 1990s and reaching approximately 75% by 2023. This indicates a structural transformation in Algeria's settlement patterns, with urban areas housing a growing proportion of the total population. We can identify three key phases of urbanization: the first, from 1960 to 1987, signifies a rapid rise in the urban population driven by industrial development, rural exodus, and urban expansion. Economic policies that promote modernization may have also contributed to this shift.

The second phase, from 1987 to 2008, indicates that the trend of urbanization remains steady, with ongoing urban growth. However, rural population figures show minor increases in specific periods, possibly due to rural development initiatives. Additionally, with the availability of Algerian census data from 1987, 1998, and 2008, we present Figures 3, 4, and 5, which outline urbanization rates across Algerian provinces over these years, revealing significant national trends and regional disparities. Nationally, the urbanization rate rose steadily from 49.54% in 1987 to 58.27% in 1998 and further to 65.94% in 2008, with accelerated growth during the latter decade attributed to various factors (Saidi et al., 2023): (1) Natural Growth: This is the main driver of urban population growth, fueled by higher birth rates in urban areas compared to rural regions. (2) Rural-Urban Migration: Migration from rural areas to urban centers has been a significant phenomenon, particularly in regions such as the Highland Centre and Hoggar-Tassili. Younger populations often migrate in search of better economic opportunities, education, and improved living conditions, thereby contributing to urban growth. (3) Emergence of "De Jure" Towns: The rise in the number of officially recognized towns (new "de jure" towns) has also influenced urban growth. These towns often arise from administrative changes and urban sprawl, thereby expanding the urban network and increasing the urban population. High urbanization rates are evident in northern provinces such as Algiers, Annaba, Oran, and Constantine, where rates consistently exceeded 70%, reflecting their economic and administrative significance. Conversely, southern provinces, including Adrar, Tamanrasset, and Illizi, recorded significantly lower rates, remaining

below the national average due to geographic, demographic, and economic challenges. Moderate urbanization growth occurred in provinces such as Bejaia, Setif, and Mostaganem, showing gradual urban expansion and economic diversification. Regional disparities are pronounced: while northern provinces maintain high urbanization due to industrial and historical significance, southern and highland regions, such as Laghouat and Djelfa, display slower progress due to limited infrastructure and challenging environments.

The third phase, from 2008 to 2023, experiences a significant acceleration in urbanization, leading to a sharp increase in the urban population and a decline in the rural population. The urbanization rate reached 75%, indicating that Algeria has become a nation with a majority urban population.

The distribution of populations by city type in the last three censuses, as shown in Figure 6, indicates that the population in large cities more than doubled from 4,505,594 in 1987 to 9,604,736 in 2008, representing a 113% increase. Medium-sized towns increased steadily from 1,847,611 to 3,151,727, marking a 71% growth over 21 years. Small towns experienced significant population growth, rising from 2,279,481 to 4,265,810, which represents an 87% increase. The smallest urban settlements experienced a dramatic population increase, growing from 2,787,748 to 5,448,906, a 96% rise. This data reflects Algeria's substantial urban demographic shift between 1987 and 2008. The rapid growth in the urban population across all categories illustrates a nation undergoing profound socio-economic and spatial transformations. While large cities continue to dominate in population size, the increasing significance of smaller urban settlements highlights the diversity of Algeria's urbanization process.

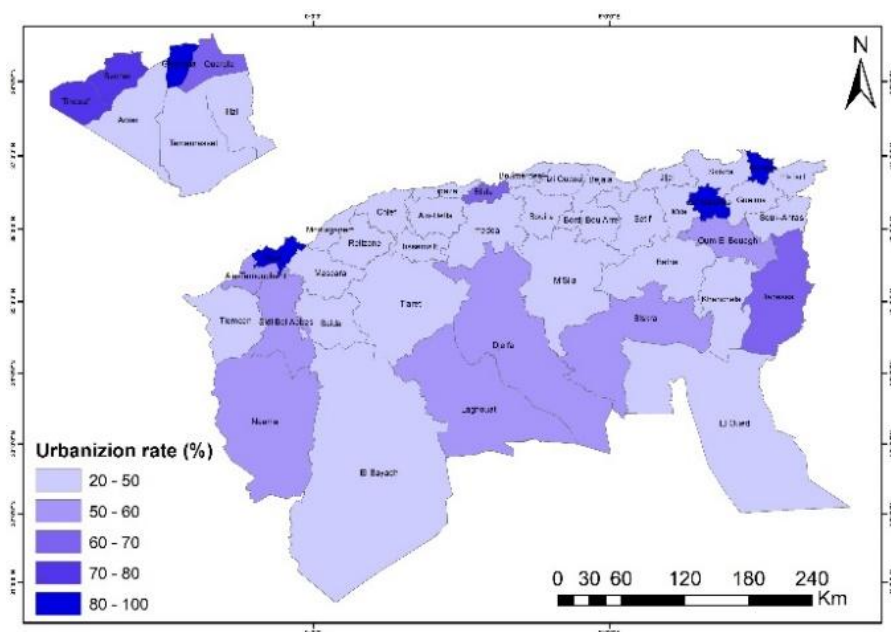


Figure 3: Urbanization rate in 1987.

Source: Authors; Data: Census 1987 (ONS, 2025).

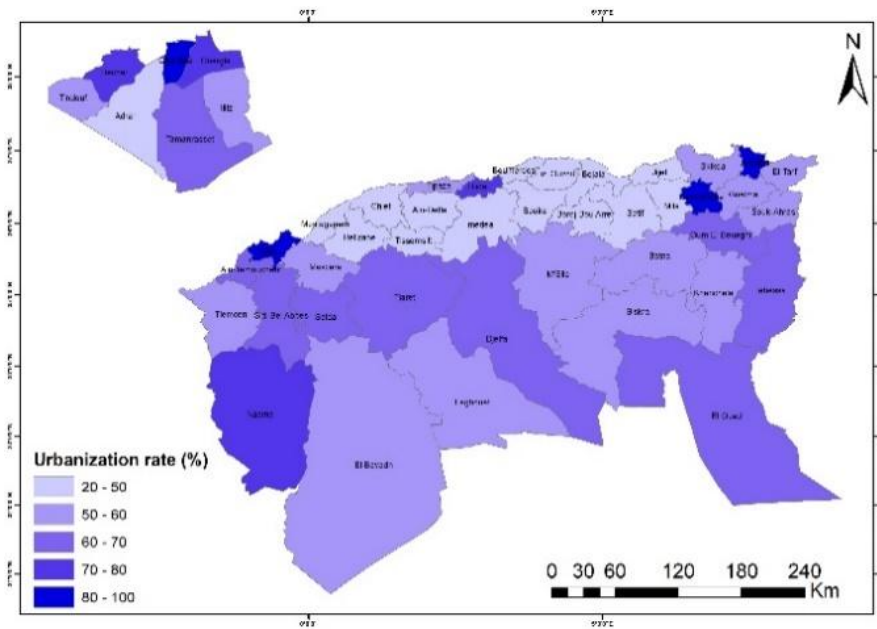


Figure 4: Urbanization rate in 1998.
Source: Authors; Data: Census 1998 (ONS, 2025).

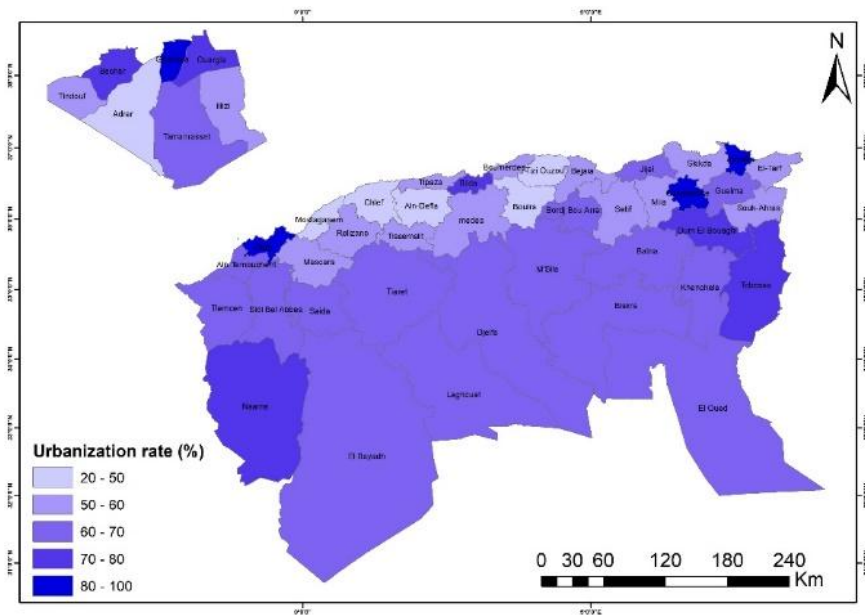


Figure 5: Urbanization rate in 2008.
Source: Authors; Data: Census 2008 (ONS, 2025).

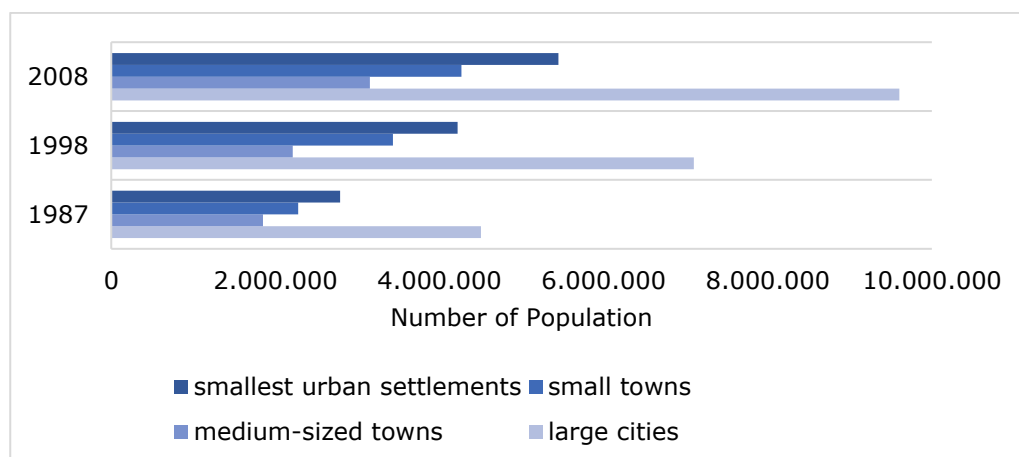


Figure 6: Distribution of the number of populations by type of cities in 1987, 1998, and 2008.

Source: Authors; Data: Census 1987, Census 1998, Census 2008 (ONS, 2025).

According to Figure 7, the number of large cities increased from 16 in 1987 to 33 in 2008, doubling over 21 years. Medium-sized towns increased from 26 to 47, while small towns expanded from 79 to 142; this represents an 80% growth over two decades, comparable to medium-sized towns but in more significant absolute numbers. The smallest urban settlements exhibited the most dramatic growth, from 277 in 1987 to 521 in 2008, nearly doubling in number. This result highlights the dynamic nature of Algeria's urban landscape from 1987 to 2008. While large cities experienced steady growth, the rapid expansion of small towns and the smallest urban settlements underscores the decentralization of urbanization. The unfavorable economic and security conditions that Algeria experienced during 1987-1998 encouraged the population to confine itself to the urban centers closest to the countryside. This caused strong urbanization of small towns in general and the smallest urban settlements in particular, which gained 122 units between the two periods. The gradual return of security and civil peace after 1998 influenced the development of the urban network, which was reinforced by 172 additional agglomerations, including six large cities, 13 medium-sized towns, 28 small towns, and 122 smallest urban settlements.

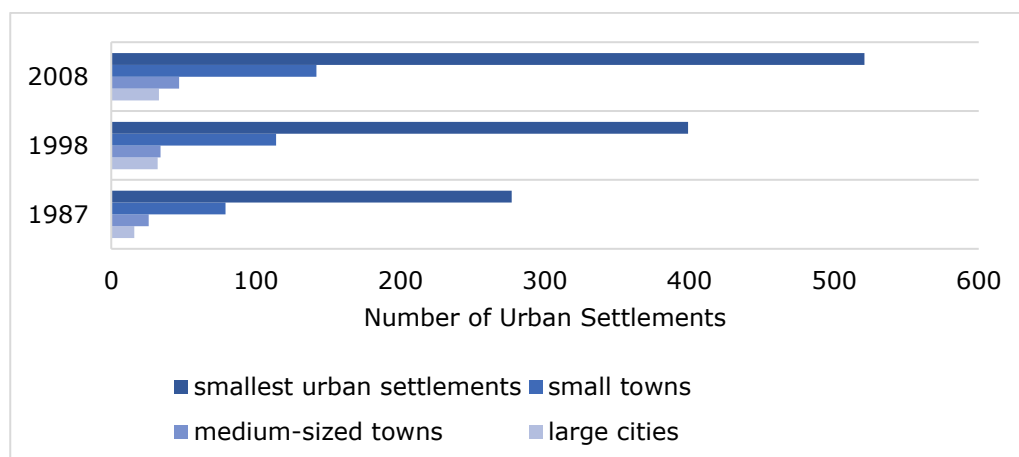


Figure 7: Distribution of the number of urban settlements by type of cities in 1987, 1998, and 2008.

Source: Authors; Data: Census 1987, Census 1998, Census 2008 (ONS, 2025).

The distribution of urban settlements in Algeria in 2008 highlights the critical role of smaller towns in the 'country's urban network (Figure 8). These towns are the most numerous and are primarily concentrated in the northern regions, where they serve as essential intermediaries between rural areas and larger urban centers. These towns promote economic integration, provide access to critical services, and enhance regional connectivity by linking agricultural zones with industrial and commercial hubs. In contrast, the southern regions show a much sparser distribution of settlements, revealing the challenges posed by harsh environmental conditions and limited infrastructure. The presence of medium-sized towns and large cities reinforces the urban hierarchy, but the dominance of a few metropolises underscores the need for more decentralized urban development. Strengthening smaller towns through targeted policies can foster balanced regional growth, reduce urban primacy, and improve service accessibility in remote areas. Their role in supporting sustainable urbanization and alleviating regional disparities makes them crucial components of Algeria's socio-economic landscape.

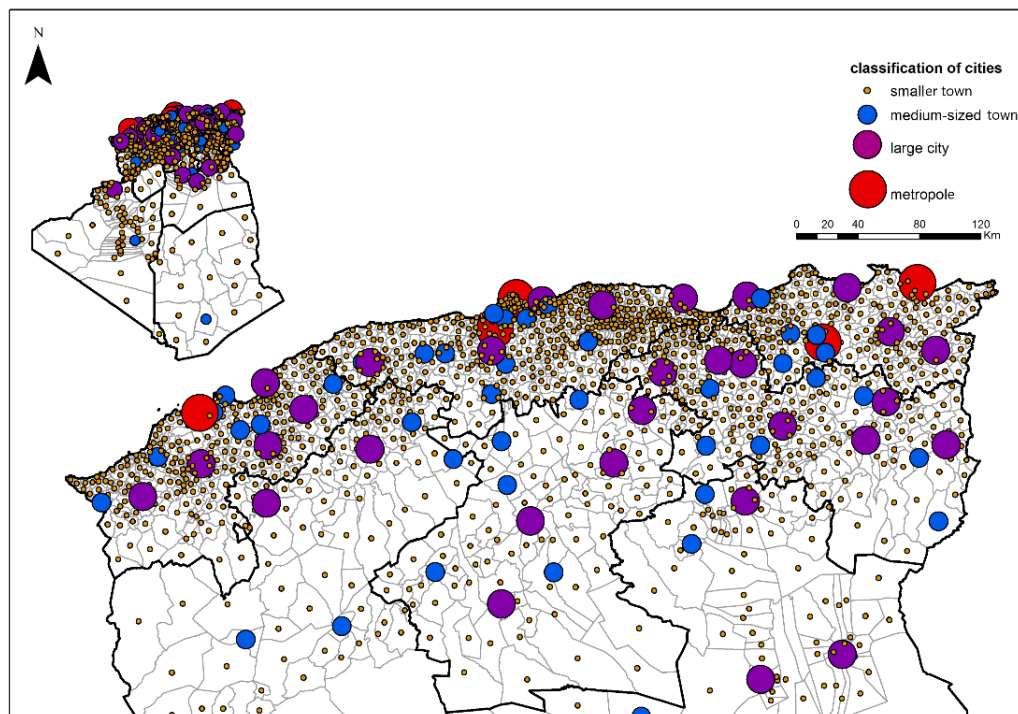


Figure 8: Distribution of urban settlements in 2008.

Source: Authors; Data: Census 2008 (ONS, 2025).

The Algerian urban system is characterized by a macrocephalic structure, highlighted by a significant disparity between the dominant city, Algiers, and the cities at the following hierarchical levels (Figure 9). This situation is also similar to findings from other studies, such as Matei (2024), who concluded that Constanța serves as the primate city in the region between the Danube and the Black Sea, illustrating its urban polarization effect and macrocephalic urban system. For decades, urban development efforts in Algeria have focused on programs aimed at meeting essential needs, including housing, infrastructure, and public facilities. These initiatives have stimulated urban growth, leading to an increase in the number of urban units. However, the evolution of these units requires considerable time for smaller towns to ascend the urban hierarchy (Saidi et al., 2023; Bousmaha Ahmed et al., 2021). As a result, the current distribution reveals a significant number of small urban units, which, over time, have the potential to accommodate larger populations than the existing major urban centers.

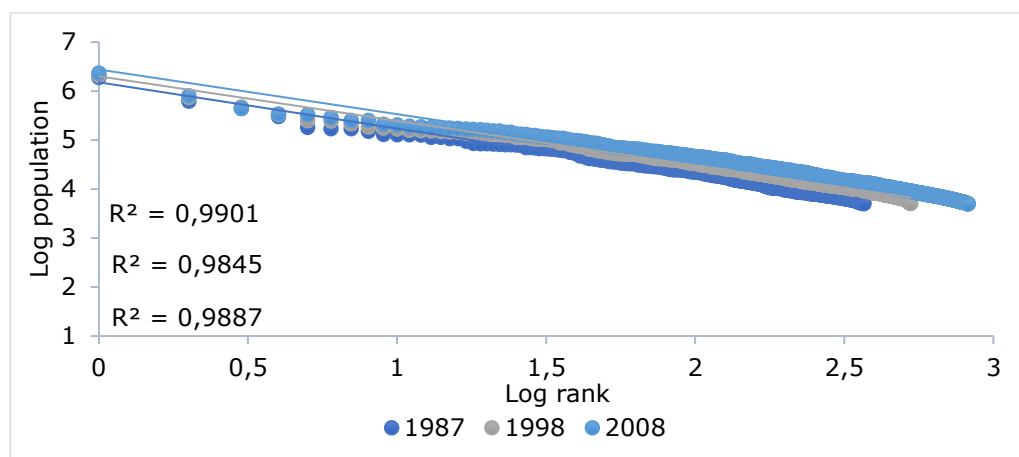


Figure 9: Hierarchical distribution of cities with more than 5000 inhabitants in 1987, 1989, and 2008.

Source: Authors; Data: Census 1987, Census 1998, Census 2008 (ONS, 2025).

3.2 Smaller Towns in the Spatial Structure of the Economy

Table 2 illustrates the distribution of economic entities across various types of cities in Algeria, highlighting differences in enterprise density, sectoral composition, and overall economic activity. The number of enterprises per 1,000 inhabitants rises as city size decreases, with the smallest urban settlements exhibiting the highest enterprise density (42.62) compared to larger cities (27.56). This implies that smaller urban areas depend more on small-scale enterprises for their economic support.

Table 2: Distribution of economic entities by different types of cities and sectors of activities.

Source: Authors; Data: Census 2008 and economic census 2011 (ONS).

	Ent. (per 1000 inh.)	Ent. (%)	Share of sectors (%)				
			C	T	I	S	Tot
Large cities	27.56	34.70	0.99	56.37	9.26	33.38	100
Medium-sized towns	35.65	13.55	0.79	58.47	10.02	30.73	100
Small towns	42.19	24.12	0.88	51.34	13.70	34.09	100
Smallest towns	42.62	27.63	0.97	52.99	11.35	34.69	100
Total	34.98	100	0.93	54.51	11.01	33.55	100

Ent. – Enterprises, inh. – inhabitants, C – Construction, T – Trade, I – Industry, S – Services, Tot – total

The sectoral distribution shows that trade leads in all city types, accounting for the largest share of enterprises (ranging from 51.34% in small towns to 58.47% in medium-sized towns). Services constitute the second-largest sector, with their highest share found in the smallest urban settlements (34.69%) and the lowest in medium-sized towns (30.73%). Conversely, the industry remains relatively underrepresented across all city types, making up less than 14% of enterprises, with its strongest presence in small towns (13.70%). Construction shows a significant

concentration in the smallest urban settlements (27.63%), notably higher than in large cities (34.70%), indicating the importance of construction activities in shaping urban development in emerging settlements.

Ultimately, the data suggests that economic activities differ by city size, with smaller towns showing higher enterprise density and a stronger reliance on trade and services. The relatively low share of industry across all city types signifies a limited industrial base, reinforcing the dominance of commerce and services in Algeria's urban economies.

To delve more deeply into the context of small towns, we present Figure 10, which illustrates the relationship between the Algerian population and the Location Quotient (LQ), highlighting the distribution of economic specialization across various population sizes. The plot shows that most settlements display an LQ of around 1, indicating no significant specialization, while higher LQ values (above 1.5) are distributed across different population ranges, suggesting overrepresentation in specific economic sectors. Multiple LQ levels (2–7) indicate variations in sectoral dominance, with construction, services, trade, and industry being overrepresented in certain areas. However, Spearman's rho correlation coefficient (-0.070) suggests a weak and statistically insignificant negative correlation ($p = 0.086$) between population size and LQ, implying that economic specialization does not heavily depend on population size. This indicates that smaller towns can exhibit economic concentration in specific sectors, regardless of their population, on the one hand, and indicates a relatively balanced economic profile or lack of specialized economic activity in these towns on the other hand.

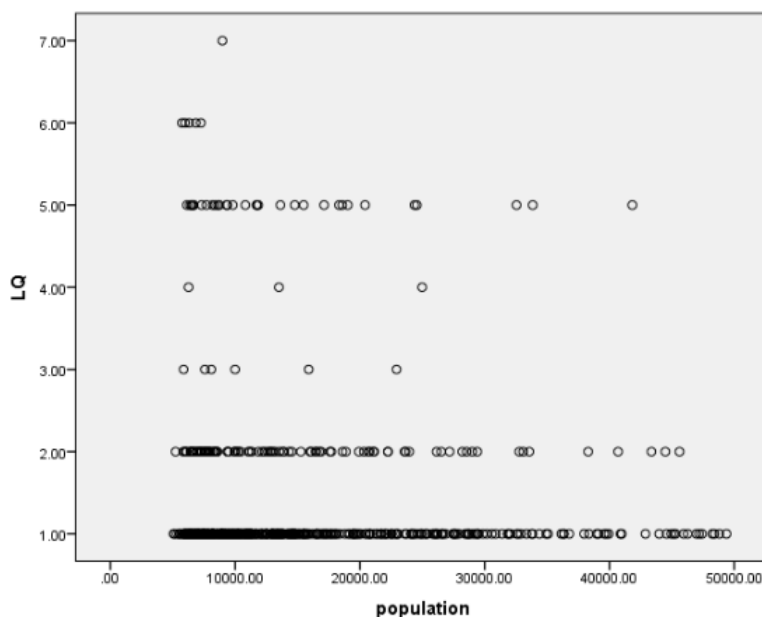


Figure 10: The relationship between the Algerian population and the Location Quotient (LQ).

Source: Author; Data: Census 2008 and economic census 2011 (ONS).

Legend: overrepresented LQ categories – 1: none; 2: construction; 3: services; 4: trade; 5: industry; 6: construction & industry; 7: construction & trade.

Construction is the most prevalent sector among those that are overrepresented, as seen in towns such as Amizour, El Braya, and Souk El Had in the northern region, Arris in the Highland East, Ain Salah in Hoggar Tassili, and Hassi Messaoud in the southeast. This dominance suggests that many smaller towns in Algeria are experiencing localized construction booms, possibly linked to infrastructure development or urbanization projects. The industry is particularly prominent in towns like Ouzellaguen and Tazmalt in the Bejaia province in the Kabylie region and in Tadjenanet in the Mila province, which is known for its clothing industry. The services sector is overrepresented in fewer towns, such as N'Goussa, Beni Amrane, and Magrane. This scarcity of specialized service-based economies suggests limited development in the service sector within smaller towns. Trade activities can be found in Menea in the Ghardaïa province, Sed Rahal in Djelfa, and Abou El Hassan in Chlef, which has pockets of economic activity linked to local crafts and regional trade. Six towns have both overrepresented construction and industry (Beni Yenni and Beni Zmenzer in Tizi Ouzou province, Leflay and Oued Ghir in Bejaia province, Khiredine in Mostaganem province, and Ain Melouk in Mila province). Additionally, one town in the northern region of Tizi Ouzou features both overrepresented construction and trade.

4 Conclusion

This study provides a thorough analysis of the role and importance of smaller towns within Algeria's developing urban system, highlighting their strategic value in promoting balanced territorial growth and regional cohesion. Defined as towns with populations ranging from 5,000 to 50,000 residents, these settlements nearly doubled in number from 1987 to 2008, reflecting decentralization driven by historical, socio-economic, and political factors. These towns act as crucial links between rural and urban economies, supporting trade and essential services. The findings emphasize a diverse economic base in smaller towns, especially in trade and services, while also revealing regional differences in industrial and construction activities shaped by geographic and infrastructural limitations. This aligns with McCann's (2004) agglomeration theory, which highlights how proximity to resources and markets boosts economic activity. The use of the Location Quotient (LQ) shows that economic specialization in these towns is not solely dependent on population size, indicating potential for sector-specific growth independent of demographic weight. Additionally, the dominance of these towns in northern regions—particularly near metropolitan centers like Algiers—strengthens their role in regional connectivity and urban resilience. However, significant disparities remain, with southern towns remaining underdeveloped due to environmental challenges and lacking infrastructure. The macrocephalic urban structure, centered around Algiers, further intensifies these inequalities, although smaller towns continue to expand in response to political stabilization and state investment. These findings support prior research on how geography, history, and institutional frameworks influence urban systems (Cohen, 2006; Saidi et al., 2023; Elmqvist et al., 2013). Ultimately, the study advocates for targeted policy measures to improve infrastructure, promote economic diversification, and strengthen governance in smaller towns. Such strategies are vital for reducing urban primacy, narrowing regional gaps, and fostering inclusive, sustainable urban growth across Algeria's diverse territorial landscape. Although one limitation of this study is its reliance on data from 2008—Algeria's most recent published census—the delayed release of the 2022 census results has restricted access to current population figures. Future research should incorporate this upcoming data once available to offer more accurate and up-to-date insights into Algeria's demographic and urban trends.

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Povzetek

Ta prispevek preučuje vlogo manjših mest v procesu urbanizacije Alžirije. Pri tem se osredotoča na njihovo vlogo pri oblikovanju nacionalnega urbanega sistema in odpravljanju regionalnih razlik. Urbanizacija se po vsem svetu pospešuje. Zanj je značilna vse večja koncentracija prebivalstva v urbanih območjih, Alžirija dobro ponazarja ta proces, ki je še posebej izrazit v severnih obalnih provincah, kjer so gospodarske priložnosti večje. Nasprotno pa južne regije doživljajo počasnejšo rast mest zaradi zahtevnejših okoljskih razmer in omejenih virov. Ta neenakomeren urbani razvoj odpira vprašanja o položaju in potencialu manjših mest v širšem alžirskem urbanem omrežju.

Postavili smo dva glavna cilja: analizirati vlogo manjših mest v urbanem okviru Alžirije in preučiti sektorsko porazdelitev gospodarskih dejavnosti v teh mestih. S tem smo prispevali k niansiranemu razumevanju urbanizacijskih procesov v državi, pri čemer poudarjamo pomen manjših mest pri spodbujanju uravnotežene rasti in odpravljanju regionalnih neenakosti.

V teoretičnem delu prispevka smo se posvetili konceptu urbanizacije kot transformativnem procesu, ki zajema dejavnike, kot so migracije s podeželja v mesta in rast prebivalstva. V prispevku raziskujemo kako urbani sistemi delujejo kot medsebojno povezana omrežja, na katera vplivajo družbenoekonomske, zgodovinske in geografske spremenljivke. Ta okvir zagotavlja analitično ogrodje za razumevanje zapletene dinamike rasti mest v Alžiriji.

Metodološko smo uporabili kvantitativni pristop, kjer smo se naslonili na podatke iz splošnih popisov prebivalstva v Alžiriji, izvedenih v letih 1987, 1998 in 2008 in popisa gospodarstva iz leta 2011. Analiza se osredotoča na manjša mesta, opredeljena kot urbana naselja, ki imajo med 5.000 in 50.000 prebivalcev. Izračunali smo lokacijski količnik (LQ) za ocenjevanje koncentracije gospodarskih dejavnosti v teh mestih glede na večja urbana območja, pri čemer smo prepoznavali vzorce specializacije v različnih sektorjih.

Ugotovili smo, da so manjša mesta ključna gospodarska središča, kjer je velika gostota podjetij in močna odvisnost od trgovine in drugih storitev. Vendar se ta mesta soočajo s precejšnjimi izzivi, vključno z omejenim dostopom do različnih virov financiranja in infrastrukturnimi pomanjkljivostmi. Ugotavljamo, da prihaja do izrazitih razlik v rasti mest med severnimi in južnimi regijami Alžirije, kar potrjuje tezo, da imajo gospodarske priložnosti in zgodovinski kontekst ključno vlogo pri oblikovanju urbanega sistema.

Prispevek izpostavlja potrebo po ciljno usmerjenih politikah za krepitev gospodarstva in izboljšanje infrastrukture v manjših mestih, ki so bistvenega pomena za spodbujanje regionalnega ravnovesja in odpornosti v času velikih sprememb v urbanih območjih. Potrebni so strateške razmisleki za ustvarjanje gospodarskih priložnosti in izboljševanje dostopa do storitev, kar so ključni ukrepi za ublažitev prostorskih neenakosti, ki so značilne za alžirsko urbano krajino.