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# Using the ECM model to estimate the nexus between a growth and agricultural production in Algeria

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**Abstract:** This research paper aimed to study and analyze the reality of the agricultural sector in Algeria by studying its importance in the national economy and its place in development plans. She also attempted to assess the performance of the agricultural sector in Algeria through a problematic issue, "How did agricultural production affect economic growth in Algeria 1980-2018" In order to answer our questions, we used a set of economic measurement tools and statistics in line with available World Bank data. In the applied part, we focused on statistical analysis of variables related to the study, and following the behavior of variables of agricultural production and economic growth. I used the error correction form a results of the analysis showed that the agricultural sector contributed during the study period to the development of the national economy alongside other sectors.

Keywords:; agricultural sector; economic growth; ECM modeles

JEL Classification Codes: E6, Q1,O20, C1...

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#### .1. INTRODUCTION

The agricultural sector is receiving attention from most countries in the world, both developed and developing. The agriculture sector is a major pillar of the national economy and is one of the most important sources of national income. This is because of the important and vital role it plays in achieving economic development. In the gross domestic product at the time of increasing the per capita share, as well as the provision of employment positions for various social groups, especially rural areas, also provides food needs of the population and achieve food security and reduce the volume of imports.

The agricultural sector in Algeria is a sensitive sector in economic development due to the role it plays in the economic and social development and development of rural areas. Thus, the National Bureau of Statistics (ONS) ranks it in the first rank out of 19 sectors and is considered one of the main alternatives in economic development.

In order to enable the agricultural sector in Algeria to achieve the important role, it has adopted many economic, political and commercial reforms in recent years, adopting market economy and trade identification, reforming the monetary system and exchange rate policy, and adopting many policies of agricultural support and encouragement of the agricultural sector On the training of workers in the management of the agricultural sector

#### **Problematic search:**

In this context, the present study, entitled "Agricultural production and its effect on economic growth in Algeria 1985-2015", is used to diagnose the nutritional problem because it is urgent to call for research and investigation., And therefore ask the following sub-questions:

- -What is agricultural production?
- -What are the most important economic and development policies that drive the agricultural sector in Algeria?
  - -What is the contribution of the agricultural sector in different sectors?
- -Is there a common long-term integration relationship between study variables?

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#### research assumes:

To answer the questions, we can base our research on the following hypotheses:

 $\Box$  What is meant by agricultural production is all that is produced by both plant and animal.

Algeria applied a number of development plans to promote the agriculture sector within the framework of the development plans 2000 and the 2008 plan.

☐ The agricultural sector contributes to growth through job creation and contributes to food needs.

☐ We expect a long-term correlation between the study variables (agricultural production and economic growth).

### research goals:

Through this study, we aim to achieve the following objectives:

- -Highlight the role played by the Algerian agricultural economy in economic development.
- -Demonstrate the most important natural and human potential available to Algeria to make a quantum leap in the development of the agricultural sector.
- -Trying to provide a modern study on the agriculture sector in Algeria because of its importance.
  - -Address the forms of support provided by agricultural policy after 1990. research importance.

The importance of the study lies in the diagnosis and analysis of the prospects of the agricultural sector and its importance in achieving economic development through the increase in the role of investing in the private sector by providing suitable conditions for the exploitation of the potential of the sector in Algeria.

To keep abreast of developments in the policy of support applied by both developed and developing countries, especially Algeria, while highlighting its importance in the development of the agricultural sector in the light of international economic developments.

### The importance of the agricultural sector in the Algerian economy:

The importance of the agricultural sector in Algeria can be represented by the contribution of agricultural activity to GDP, its contribution to the employment of new opportunities and the achievement of food security and thus the achievement of a portion of the resources derived through foreign trade.

The first requirement: the contribution of agriculture to the gross national product.

The contribution of the agricultural sector in GDP is one of the most important economic indicators(Romer, 1990, p444) that measure the success of any national strategy to develop this sector in achieving the established goals. This contribution affects the growth and increase of the total income, which affects the increase in the share of individuals from this income.(Solow, 1978, p50) The most important indicators showing the economic growth of any country. The agricultural output in Algeria between 2010 and 2015 has been affected by the impact on the gross domestic product (PIB) in the same period as shown in table 1

Tab 1Development of the contribution of agricultural output to the GDP in Algeria (2010-2014).

years	2010	2011	2012	2013	2014
GDP	11991.60	14519.80	15843.00	17771.00	17205.00
AG	1015.30	1183.20	1421.70	1654.00	1771.50
AG percapita	08.50	08.10	09.00	09.30	10.30

Source: ONS of Algeria

## 1-1 Statistical analysis of the study variables

In this section, we will attempt to analyze the economic relationship between the agricultural output index and the economic growth index during the study period(Benin et al 2008, p65)using graphs and time series. This is to determine the type of changes that occur in the values of the two

phenomena in time periods in order to extract the expected values. These series extend from 1985 to 2015 with the help of some statistical indicators represented in the parameters of central tendency and dispersion received, which enable us to draw some results to know the nature of the variables of study (Downes ,2001, P43)

# 1-2 Descriptive Study of Raw String Data Gross Domestic Product (GDP):

The series represents the annual indicator of the gross domestic product in Algeria, which is set at 31 observations from 1985 to 2015, the highest value of 5.78E + 12 years 2015 due to high levels of inflation and following the petroleum shock and its consequences and lowest The value of 2.66E + 12 registered in 1960 due to the sudden rise in prices of petroleum products, the values of the series within the range of 3.12E + 12, which is relatively large, indicating the spacing of the two values, and this series average arithmetic of 3.73E + 12 with median 3.36E + 12 Ie, the curve of the chain is swerved to the right, the standard deviation of 1.03E + 12L One difference is the average coefficient of 27.61%, which indicates(Spence 2009 p118) the fluctuation of the values of the violent, GDP series and makes sure that the value of intermediate variation coefficient of 30.65%, the cause of heterogeneity in the values due to inflation over the years of schooling.(Timmer ,2008, p228)

To reduce the inflation of values we use one of the mathematical methods, including: the logarithm Nbiri, square root, growth rate, percentage of total, ..., we will use the logarithm method because it is more used and because the raw values of the variable study is positive and the series. Become LG<sub>1</sub> .LGDP

## 1-3 The descriptive study of the logarithm data:

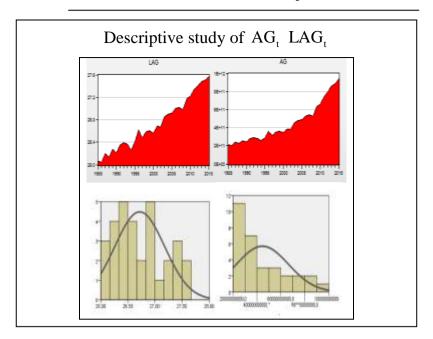
the highest value of 27.56 and the lowest value of 26.04, the values of the

		AG ,	LAG,
N	Valid	31	31
N	missing	0	0
	mean	4.46E+11	26,71
	Median	3.63E+11	26,61
	Standard eviation	2.17E+11	0,46
	Interval	7.36E+11	1,52
	Maximum	9.40E+11	27,56
	Minimum	2.04E+11	26,04
cv	Mean	48.65%	1.72%
Cv	Median	59.77%	1.72%

series within the range of 01.52, which we consider appropriate for the values. This series has an average mean of 26.71 with a median of 26.61, ie, the chain curve tends to be symmetrical,  $(\overline{X} \approx Me)$  with a standard deviation of 0.46 to be the average difference coefficient of 01.72% which indicates a low volatility in the string values. (Zepeda, 2001,p148)

## 1-4 The descriptive study of the logarithm data:

the highest value of 29.38 and the lowest value of 28.60, the values of the series within the range of 0.78 which we consider appropriate for the values. This series has an arithmetic mean of 28.91 with a mean of 28.84 ie that the chain curve tends to be symmetric,  $(\overline{X} \approx Me)$  with a standard deviation of 0.26 The average difference is 0.89%, which indicates a low volatility in the string values. This is confirmed by the value of the difference coefficient of 0.90%



kind of homogeneity after the use of the Nepherian logarithm method (the value of the difference coefficient for all variables decreased significantly). CV = 1.72%,  $0.89\% \prec 15\%$ 

- With this result we can study the stability of these series of variables.

### II -stability study:

The two time series stabilize: If their values oscillate around a constont mean  $E(Y_t) = \mu$ , random variables are not included in the interpretation of time series changes, and the variation is independent of time  $Var(Y_t) = \sigma^2$  all time series observations have the same weight in the analysis.

To test the stability of the time series, we follow the qualitative and quantitative tests described in the following steps:

## 2-1 The qualitative tests:

These tests are on the graphs of the series and the curve of the function of self-correlation

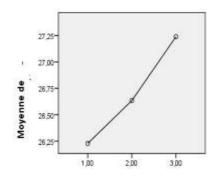
## A- equality of the average and homogeneity of variance tests:

In this case, the series is divided into three consecutive periods (1 period = 10 years) and we compare the mean of each period.

The results were rejecting the zero hypothesis  $(H_0: \overline{Y}_1 = \overline{Y}_2 = \overline{Y}_3)$  and accepting the alternative hypothesis  $(H_1: \overline{Y}_1 \neq \overline{Y}_2 \neq \overline{Y}_3)$  because:  $(Sig = 0.000 \prec 0.05)$  the heterogeneity of the arithmetic average during the study period.

In the previous steps, the null hypothesis was rejected  $(H_0: \sigma_1^2 = \sigma_2^2 = \sigma_3^2)$  and the alternative hypothesis  $(H_1: \sigma_1^2 \neq \sigma_2^2 \neq \sigma_3^2)$  was accepted because: (Sig = 0.031 < 0.05) the heterogeneity of variation during the study period.

#### Homogeneity of mean and variance



Statistique <sup>a</sup> ddl1	ddl1	ddl2	Sig.
79,196	2	18,142	,000
79,196	2	18,142	1

Statistique de Levene	ddl1	ddl2	Signification
3,934	2	28	,031

## **Outputs of SPSS**

## **B-** Study of the auto -correlation function of series:

#### - The ACF curve of LAGt:

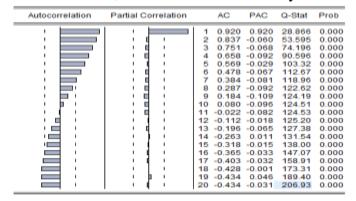
, When analyzing the self-correlation function of the condom, we observed values outside the estimated confidence range  $_{\pm 1.96}\sqrt{1/_{31}}=\pm 0.352$ , and the Ljung-Box test shows the significant significance of the Pk coefficients,  $Q_c=152.01 \succ Q_r=31.41$  rejecting the zero hypothesis (H<sub>0</sub>:P<sub>k</sub>=0) and accepting the alternative hypothesis that the self-correlation coefficients are significantly different from zero  $(H_1:\exists \rho_k \neq 0)$  due to a problem Auto-correlation of errors, which leads to instability of the time series.

Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob
-		1	0.884	0.884	26.635	0.00
	1 1	2	0.780	-0.005	48.090	0.00
	' <b>(</b> '	3	0.684	-0.021	65.167	0.00
	'     '	4	0.579	-0.092	77.874	0.00
	'   '	- 5	0.490	0.001	87.306	0.00
'		- 6	0.397	-0.072	93.751	0.00
' <u> </u>	l ! L !	7	0.318	0.003	98.068	0.00
· -	l ! _!' !	8	0.259	0.030	101.06	0.00
: <b>P</b> :	l ! <b>5</b> !	9	0.180	-0.131	102.56	0.00
: P :	!   !	10	0.084	-0.150	102.91	0.00
' '	'   '	11	0.011	0.006	102.91	0.00
' '	' _  '	12	-0.047	0.021	103.03	0.00
· = :	! 및 !	13	-0.118	-0.125	103.83	0.00
! = !	l ! _P !	14	-0.157	0.072	105.31	0.00
: <del></del>	l ! 🗐 !	15	-0.208	-0.113	108.08	0.00
: <b>=</b> :	! 4 !	16	-0.250	-0.044	112.36	0.00
<u>'</u>	! ¶ !	17	-0.292	-0.085	118.60	0.00
	' ". '	18	-0.337	-0.032	127.54	0.00
	l ! 🚽 !	19	-0.353	0.039	138.18	0.00
	· • ·	20	-0.386	-0.149	152.01	0.00

## **Outputs of eviews**

#### - The ACF of curve LGDP:

When analyzing the self-correlation function of the condom, we observed values outside the estimated confidence range  $\pm 1.96\sqrt{\frac{1}{31}} = \pm 0.352$ , and the Ljung-Box test shows the significant significance of the Pk coefficients,  $Q_c = 206.93 \succ Q_r = 31.41$  rejecting the zero hypothesis (H<sub>0</sub>:P<sub>k</sub>=0) and accepting the alternative hypothesis that the self-correlation coefficients are significantly different from zero  $(H_1: \exists \rho_k \neq 0)$  due to a problem Autocorrelation of errors, which leads to instability of the time series.



## 2-2. Quantitative tests:

The unit root tests are represented in:

- Dickey-Fuller (DF) (1979)!
- (ADF) Augmented Dickey-Fuller(1981) :
- (P-P) Phillips-Perron (1988)

Kwiatkowski-Phillips-Schmidt-Shin KPSS(1992)

Unit root tests are designed to examine the properties of the time series under study, to ascertain the extent of their dormancy, and then to determine the degree of integration of each variable separately. It not only permits the detection of an instability, but also determines the type of non-stability, and thus determines the best way to return the chain stable.

- We will summarize the Extended Dicky-Fuller test (ADF-1981) because it is recommended to use it in time variance differences models to eliminate the problem of self-correlation of errors, and its model: p is the delay period and is set to the lowest standards: Akaike (AIC), Hannan-Quinn (H-Q), Schwarz (SC) (Jairi ,2007, p112)

#### LAGt serie:

p	AIC	SC	HQ
O	-2.132946	-1.992826	-2.088120
1	-2.112749	-1.924156	-2.053684

and lag length is  $\rho = 0$ : The model of testing will be

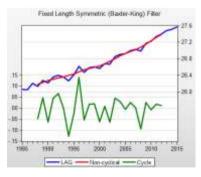
$$\Delta Y_{\scriptscriptstyle t} = \lambda Y_{\scriptscriptstyle t-1} - \sum_{\scriptscriptstyle j=1}^2 \phi_{\scriptscriptstyle j+1} \Delta Y_{\scriptscriptstyle t-j} + bt + c + \varepsilon_{\scriptscriptstyle t}$$

Null Hypothesis: LAG has a unit root Exogenous: Constant, Linear Trend Lag Length: 0 (Fixed)

		1-Statistic	Prob.*
Augmented Dickey-Ful	ler test statistic	-3.126422	0.1186
Test critical values:	1% level	-4.296729	240000
	5% level	-3.568379	
	10% level	-3.218382	

<sup>\*</sup>MacKinnon (1996) one-sided p-values.

The root of the unit in the string is at 5%. It is a DS model  $:b \neq 0$ ,  $c \neq 0$ ,  $\phi = 1$  and the statement shows the existence of the general direction vehicle (time, it is unstable red line)



#### LGDPserie:

and lag length is  $\rho = 0$ : The model of testing will be

$$\Delta Y_{t} = \lambda Y_{t-1} - \sum_{j=1}^{2} \phi_{j+1} \Delta Y_{t-j} + bt + c + \varepsilon_{t}$$

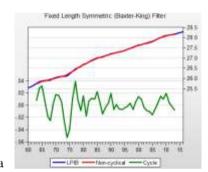
p	AIC	SC	HQ
0	-5.090716	-4.950596	-5.045890
1	-5050533	-4.861940	-4.991468

Null Hypothesis: LPIB has a unit root Exogenous: Constant, Linear Trend Lag Length: 0 (Fixed)

		t-Statistic	Prob.*
Augmented Dickey-Fu	ller test statistic	-2.404217	0.3701
Test critical values:	1% level	-4.296729	- Carren
	5% level	-3.568379	
2270 00		-3.218382	

<sup>\*</sup>MacKinnon (1996) one-sided p-values.

The root of the unit in the string is at 5%. It is a DS model :  $b \neq 0$ ,  $c \neq 0$ ,  $\phi = 1$  and the statement shows the existence of the general direction vehicle (time, it is unstable red line)



**Result:** Through qualitative and quantitative statistical tests: Pk correlation coefficients, Ljung-Box test, ADF test, the time series stability hypothesis was rejected. The series LGDP LAG have a unit root at their original level. I(0)

## III -convert the no stationary of the two series :

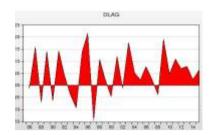
The results of the previous tests resulted in the instability of the two series of time, and the best practical way to remove the instability is to conduct the first or second class differences according to the results of statistical tests and become the general form of the new time series became  $D^{\rho}(LGDP_{t}) = LGDP_{t-\rho} - LGDP_{t-\rho}$  and  $D^{\rho}(LAG_{t}) = LAG_{t-\rho} - LAG_{t-\rho}$  / Where: We re-conduct the previous statistical tests:

### **3-1 Descriptive study of the two series:**

The new time series lost one obs after applying the first order difference to 30 observations

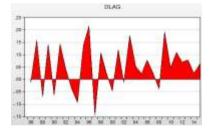
### DLAG serie:

- We note from the time series statement we find that it took a form different from the original form, where the curve is approaching the parallel axis of the joints, which indicates the lack of effectiveness of the trend. We conclude in principle that the serie has gradually stabilized over time.



#### DLGDP series:

- We note from the time series statement we find that it took a form different from the original form, where the curve is approaching the parallel axis of the joints, which indicates the lack of effectiveness of the trend. We conclude in principle that the serie has gradually stabilized over time.



#### 3-2 unit root test for series:

#### DLAG:

- The results of the unit root tests (ADF) applied to the firstorder differentials of the time series under study, the rejection of the null hypothesis  $H_0: \phi=1$ , acceptance ofand the alternative hypothesis  $H_1: \phi \neq 1$ that stability of DLAG at 1st dif the change in the level was expressed at a significant %5 level.

Null Hypothesis: DLAG has a unit root Exogenous: Constant Lag Length: 1 (Fixed)

		t-Statistic	Prob.*
Augmented Dickey-Fu	ller test statistic	-5.472510	0.0001
Test critical values:	1% level	-3.689194	
	5% level	-2.971853	
	10% level	-2.625121	

\*MacKinnon (1996) one-sided p-values.

#### DLGDP:

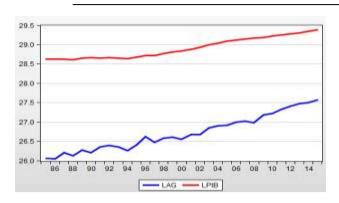
The results of the unit root tests (ADF) applied to the first-order differentials of the time series under study, the rejection of the null hypothesis  $H_0: \phi=1$ , and the acceptance of the alternative hypothesis  $H_1: \phi \neq 1$  that stability of DLGDP at 1<sup>st</sup> dif the change in the level was expressed at a significant %5 level

Null Hypothesis: DLPIB has a unit root Exogenous: Constant Lag Length: 0 (Fixed)

		t-Statistic	Prob.*
Augmented Dickey-Fu	ller test statistic	-3.427962	0.0181
Test critical values:	1% level	-3.679322	
	5% level	-2.967767	
	10% level	-2.622989	

\*MacKinnon (1996) one-sided p-values.

**Result:** Since the variables under study are stationary at the same level I(1), they mean that they can converge in the long term. To ensure this, we conduct co-integration tests



## 3-3 co-integration test(Engle-Granger) 1987:

This test requires that the time series have the same degree of complementarily, but if the opposite is true, they do not have a common integration.

The E-G method is called two-step because it is done in two phases:

-In the first step, the test begins by estimating the regression of the long-term relationship between the variables studied according to the economic theory: In the method of the least squares OLS,  $Y_t = \alpha_0 + \alpha_1 X_t + \varepsilon_t$  called the regression equation of co-integration:

Method Least Squares Date: 04/27/18 Time: 12-49 Sample: 1985-2015 Included observations: 31				Method: Least Square Date: 04/27/18 Time: Sample: 1985 2015 Included observations	12:47				
Variable	Coefficient	Std. Error	t-Statistic	Prob.	Variable	Coefficient	Std. Error	1-Statistic	Prob.
C LAG	13.75821 0.567188	0.591493 0.022135	23.26012 25.62353	0.0000	C LPIB	-22 10062 1,688505	1.905294 0.065897	-11.59958 25.62353	
R-squared Adjusted R-squared S.E. of regression Sum squared resid Log likelihood F-statistic Prob(F-statistic)	0.957699 0.956240 0.055773 0.090209 46.52698 656.5654 0.000000	Mean depend S.D. depende Alcaike info cri Schwarz criter Hannan-Quin Durbin-Watso	nt var terion rion n criter.	28.91218 0.266618 -2.872708 -2.780193 -2.842551 0.756500	R-squared Adjusted R-squared S.E. of regression Sum squared resid Log likelihood F-statistic Prob(F-statistic)	0.096231 0.268549 29.61790	17.00.0000.000	ent var iterion rion in criter.	26.71775 0.460020 -1.781800 -1.689284 -1.751642 0.789883

Dependent Variable: LAG

$$\begin{cases} LAG_{t} = -22.10 + 1.68 \times LGDP_{t} + \varepsilon_{1t} \\ LGDP_{t} = 13.75 + 0.56 \times LG_{t} + \varepsilon_{2t} \end{cases}$$

Dependent Variable:

In the second step, the residuals expressing a linear mix generated by the regression of the long-term equilibrium relationship are estimated. The residual survival  $\mathcal{E}_t$  is tested to verify that the linear mix is at its first level or co integrated at I (0)

According to test E-G rejection	Null Hypothesis: RESID01 has a unit root Exogenous: None Lag Length: 0 (Fixed)				
Hypothesis (H0) and acceptance of		t-Statistic	Prob.*		
alternative hypothesis (H1). ${\cal E}_{1t}$ is	Augmented Dickey-Fuller test statistic	-3.145103	0.0027		
so variable LAG has a long stationary run relationship with LGDP	Test critical values: 1% level 5% level 10% level	-2.644302 -1.952473 -1.610211			
Tun relationship with EGD1	*MacKinnon (1996) one-sided p-values.				
According to test E-G rejection Hypothesis (H0) and acceptance of	Null Hypothesis: RESID02 has a unit root Exogenous: None Lag Length: 0 (Fixed)				
		t-Statistic	Prob.*		
alternative hypothesis (H1). $\mathcal{E}_{2t}$ is so variable LGDP has a long stationary run relationship with LAG	Augmented Dickey-Fuller test statistic Test critical values: 1% level 5% level 10% level	-2.962006 -2.644302 -1.952473 -1.610211	0.0044		
r	*MacKinnon (1996) one-sided p-values.				

### IV - Causality:

The causal method is a pilot approach that helps to test the economic relationship between the variables and then determine the direction of the causal relationship between them ie knowledge of the dependent variable and independent variable according to the following equations:

$$LAG_{t} = \alpha_{1} + \sum_{i=1}^{p} \beta_{1,i} LAG_{t-i} + \sum_{i=1}^{p} \beta_{2i} LGDP_{t-i} + \varepsilon_{1,t}$$

$$LGDP_{t} = \alpha_{2} + \sum_{i=1}^{p} \beta_{3,i} LAG_{t-i} + \sum_{i=1}^{p} \beta_{4,i} LGDP_{t-i} + \varepsilon_{2,t}$$

Pairwise Granger Causality Tests

Date: 04/27/18 Time: 13:09 Sample: 1985 2015

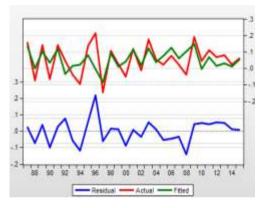
Lags: 1

Null Hypothesis:		F-Statistic	Prob.
LF#B does not Granger Cause LAG	30	6.73676	0.0151
LAG does not Granger Cause LPIB		0.43578	0.5148

In the first line we reject the null hypothesis H0 and accept the alternativeH1 assumption that causality exists from LGDP to LAG prob = 0.01 < 0.05 or  $F_c = 6.73 > F_t = 2.04$ 

In the second line we accept the null hypothesis and reject the alternative assumption that there is no causality of LAG towards LGDP. :  $prob = 0.51 \succ 0.05$  or  $F_c = 0.43 \prec F_t = 2.04$ 

## V-residual diagnostics:



Date: 04/27/18 Time: 15:24 Sample: 1985:2015 Included observations: 29 Q-statistic probabilities adjusted for 1 dynamic regressor

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob*
0.40	1 0 10	1 -0.037	-0.037	0.0448	0.832
1 = 1	1 1	2 -0.234	-0.235	1.8638	0.394
1 1 1	1 1	3 0.051	0.034	1.9555	0.582
1 1 1	1 11 1	4 -0.055	-0.114	2.0677	0.723
1 1	1 4 1	5 -0.138	-0.134	2.7844	0.733
1 6 1	1 4 1	6 -0.064	-0.129	2.9449	0.816
1 10 1	1 1	7 0.121	0.055	3.5453	0.830
97 (20)	0.00	8 -0.021	-0.067	3.5646	0.894
1 4 1	1 1	9 -0.077	-0.065	3.8317	0.922
1 11 1	1 = 1	10 -0.115	-0.205	4.4604	0.924

\*Probabilities may not be valid for this equation specification

From the comparison of the original and estimated series, we can observe the almost perfect congruence between the actual and the fitted. This result gives us an idea of the accuracy of the estimated model: the Residual Curve randomizes on this comma axis To give us an idea of the lack of autocorrelation

Analysis of the AC function of residul , all values fall within the estimated confidence range.  $\pm 1.96\sqrt{\frac{1}{29}} = \pm 0.363$  ' The Ljung-Box test shows the significance of auto-correlation  $Q_c = 4.4604 \prec Q_t = 18.30$ . We accept the null hypothesis  $(H_0: P_k = 0)$  that the coefficients of the AC function are not significantly different from zero ,so the model has not auto-

correlation

In this research we followed the performance of the Algerian agricultural sector and its impact on economic growth. We used the World Bank data from 1985-2015. We also relied on some statistical and standard tools. The study was divided into two theoretical and applied chapters.

#### Results

The results of the study reached the following elements:

.1Algeria was interested in the development of the agricultural sector immediately after independence through several development programs adopted by the government to establish a national economy far away from vital sectors such as agriculture. As a result of the inconsistency between the objectives of the agricultural development plans and the means allocated to them on the one hand and the policy of public agriculture on the other, In the implementation of the national plan for agricultural development in the year 2000, where we consider this stage recovery stage increased the price of fuel increased the gross domestic product, and decreased debt and improved security situation, characterized by the period large amounts programmed as a financial envelope of the development programs applied.

.2For the applied side, and for modeling the statistical relation of the variables of the study of the Algerian agricultural sector, it is shown that:

- •Through qualitative and quantitative statistical tests: Pk correlation coefficients, Ljung-Box test, ADF test, the time series stability hypothesis was rejected. The chains are thus unstable at their original level.
  - •Through Angel Granger's joint integration test, we found a common correlation between study variables

#### 4. CONCLUSION

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