

- **Subject: Economics of the Institution**

- **Level: First Year Common Core in Economic Sciences**

- **Academic Year: 2023/2024**

- **Types of Economic Institutions**

Economic institutions are divided into several types according to certain patterns, including:

A. Economic institutions based on the nature of their ownership:

1. Private institutions: Owned by an individual or group of individuals.
2. Mixed institutions: Jointly owned by private and public sectors.
3. Public institutions: Owned by the state, with managers unable to act based on personal opinions or sell without state approval.

B. Economic institutions based on their economic nature (economic activity):

1. Industrial institutions, classified into:
 - a. Extractive (heavy) industrial institutions, e.g., iron institutions
 - b. Light (transformative) industrial institutions, e.g., textile institutions
2. Agricultural institutions: Focused on increasing land production or land reclamation, producing plant, fish, and animal products.
3. Commercial institutions: Focused on trade-related activities.
4. Financial institutions: Engaged in financial activities, e.g., banks, insurance companies.
5. Service institutions: Providing specific services, e.g., universities, transport institutions.

C. Economic institutions based on the number of employees:

1. Small institutions: Less than 50 employees
2. Large institutions: More than 50 employees
3. Huge institutions: More than 500 employees
4. Giant institutions: More than 10,000 employees

- Legal Forms of Institutions in Algeria

I. Natural Person Institution or Individual Enterprise

- Ideal for small projects like retail stores
- Owner is the sole manager
- Registered as a trader with the National Center for Commercial Registry (CNRC)
- No need for company statutes or capital deposit with a notary
- Limited in scope and cannot develop without transforming into a corporate form

II. Legal Person Institution (Company)

Legal forms include EURL, SARL, SPA, and SNC. Key characteristics of each:

1. Single-Person Limited Liability Company (EURL):

- Composed of one person
- Capital freely determined by the partner
- Personal assets separate from company assets
- Limited liability to social capital

2. Limited Liability Company (SARL):

- Between 2 and 50 partners
- Capital freely determined by partners
- Partners liable for debts according to their capital contribution
- Managed by one or more managers

3. Partnership Company (SNC):

- Typically a family company
- Minimum of two partners
- No minimum capital requirement
- All partners participate in management and are jointly liable for debts

4. Limited Partnership (SCS):

- Hybrid company with managing partners and capital representatives
- Combines elements of partnership and limited liability
- Not widely used in Algeria

5. Joint Stock Company (SPA):

- Minimum of 7 shareholders
- Minimum capital of 5 million DZD (public offering) or 1 million DZD (no public offering)
- Managed by a board of directors
- Shareholders' liability limited to their capital contribution

6. Partnership Limited by Shares (SCA):

- Hybrid company with silent and active partners
- Minimum capital requirements similar to SPA
- Not widely used in Algeria

7. Groups:

- Formed between two or more legal entities for a limited period
- Can be established without capital
- Members liable for debts with their personal assets

This translation provides an overview of the economic institution types and legal forms available in Algeria, including their key characteristics and requirements.