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Beyond the “cabas” : for a clear-eyed reconstruction of our economy

CARE Editorial Team

What if “cabas trade” showed us the way?

A presidential shift revealing structural challenges

The Algerian president recently announced his intention to regularize informal cross-border trade, known as “cabas trade”[1]. This decision, unexpected for many, breaks with the repressive logic that has until now dominated official discourse. By refusing to criminalize this practice, the state is — belatedly — acknowledging a socio-economic reality that involves hundreds of thousands of citizens driven more by survival strategies than any deliberate fraud.

But beyond the announcement’s impact, this stance forces us to reframe the terms of the debate: it implicitly questions our entire trade policy, the way we manage the informal sector, and especially our relationship with economic, fiscal, and monetary reforms that have long been delayed.

A Survival Practice More Than an Act of Fraud

The right question is not how to control cabas trade. The right question is why it exists. For although this phenomenon exists in other forms elsewhere, it has taken on a quite singular scale in Algeria. It has become an institutionalized mode of subsistence, if not formally recognized.

Cabas trade is the direct result of a succession of unstable, sometimes arbitrary, often contradictory public policies. Laws are enacted reflexively, without clear direction. By constantly treating the symptoms, we forget the root causes. Yet addressing the causes would often be simpler, faster, and much less costly. This would require doing what most countries do: building clear, stable, inclusive regulations capable of balancing economic protection with reasoned openness.

Imports Marked by Instability

What this issue reveals is that we have a serious problem in managing our foreign trade. Instability reigns supreme. Every week, new import rules are added to the previous ones, often without any apparent logic, impact assessment, or visibility for operators. Meanwhile, the issue of exports is pushed to the background, as if it does not deserve strategy or debate.

Our international trade commitments are treated with the same casualness. The Arab free trade agreement? Forgotten. The association agreement[2] with the European Union? A renegotiation “article by article” announced four years ago, of which no one speaks anymore. This contractual volatility undermines the country’s credibility and increases uncertainty for all its partners.

Structural Reforms Still Postponed

One of the most persistent blind spots of this erratic management is the exchange rate issue. CARE produced a position paper on this topic[3] several years ago, which remains entirely relevant today.

The same applies to WTO accession[4]: without it, we remain on the margins of a global trade order that we endure more than we negotiate. Predictability, essential for both producers and investors, remains out of reach as long as we refuse to undertake these structural reforms.

In this context, focusing on cabas trade as if it were a central problem may seem trivial. It is barely an epiphenomenon. And yet, it deserves attention precisely because it highlights all our inconsistencies.

An Informal Economy With Multiple Functions

Far from being a parasite, this trade fulfills several vital social and economic functions. It acts as a safety valve for low-income households, a safety net for the unemployed, and a barometer of popular demand. It reflects consumption habits, preferences, and deficiencies in the local market. It provides national producers with access — informal[5], yet valuable — to an open-air laboratory on consumer trends. In this regard, it serves as a lever for moving upmarket and identifying opportunities, far more useful than many institutional trade fairs or subsidized studies.

According to several sources, this trade involves, without any confirmed data, a few hundred thousand people and represents an annual flow of goods worth 2 to 3 billion dollars. These figures must be approached with caution. It concerns essential goods, items unavailable locally or unaffordable at reasonable prices, and goods sought for their perceived quality. It does not involve industrial volumes or organized fraud networks. It does not threaten national production, and the margins it generates for its actors relate to survival, not tax optimization.

Criticism, often coming from established economic players, decries a loss of tax revenue or a form of unfair competition. But these grievances ignore on-the-ground realities. This informal trade does not disqualify national supply; it indirectly stimulates it by revealing its weaknesses.

Regulate to Prevent Health and Safety Risks

This does not mean it is risk-free. The lack of traceability for products brought in through this channel raises real concerns. Health risks related to poorly preserved or counterfeit food, dangers of fake or unchecked medications, non-compliant cosmetics, worn or dangerous mechanical parts. If not anticipated, these threats could harm public health and the country’s image.

There are ways to address this without destroying the activity: random post-entry checks, targeted training for micro-operators, simplified labeling standards for sensitive products, collaboration with consumer associations. These are sensible, low-cost measures aimed at ensuring safety without stigmatizing.

Conclusion

Ultimately, the presidential decision not to criminalize cabas trade can be seen as a shift in approach. But it would be naive to believe that a simple change in posture will suffice. For this trade, marginal as it may seem, starkly reveals the fragilities of our economic system.

It is not merely an informal phenomenon to be regulated. It is the direct product of widely criticized economic governance, a lack of coherent trade strategy, the absence of real currency convertibility, perpetual regulatory inflation, and a persistent refusal to uphold international commitments. As long as these fundamental issues are not seriously addressed — with method, with competence, and with a minimum of institutional continuity — we will keep resorting to patchwork solutions, chasing symptoms, believing that marginality can be tamed without structural transformation.

Cabas trade, in its own way, holds up a mirror to us. It reminds us of what we refuse to see: that disorder at the bottom often faithfully reflects disorder at the top. It shows us that sustainable solutions can only emerge from modern, open, professional economic governance that takes responsibility for its choices and respects its own rules and commitments.

It is not the regularization of cabas trade that will be historic. What will matter is our ability to seize this situation as an opportunity to reset our priorities, revisit our economic tools, and above all, rehabilitate the civil service as a domain of competence and trust. Otherwise, this initiative, like so many before it, will vanish into the folds of a self-canceling administrative apparatus whenever it tries to reform.

In the end, it is not about making “cabas trade” a major issue, but about drawing the necessary lessons from it.

[1] In Algeria, “cabas trade” refers to the informal import of goods via travelers’ luggage, often to resell on the local market while bypassing legal import restrictions. Also known as “trabendo,” this practice responds to product shortages on the Algerian market.

[2] https://care.dz/fr/espace-presse/accord-dassociation-algerie-ue-surmonter-les-blocages-art584

[3] https://care.dz/fr/espace-presse/les-conditions-necessaires-de-la-diversification-de-notre-economie-la-question-du-taux-de-change-art119

[4] https://care.dz/fr/espace-presse/care-appelle-a-une-relance-de-la-negociation-algerienne-daccession-a-lorganisation-mondiale-du-commerce-art700

[5] https://care.dz/fr/espace-presse/mahrez-ait-belkacem-formaliser-linformel-utile-pour-sauver-la-securite-sociale-art541