

This paper focuses on the problem of Algerian economy mutation, from an economy based on oil as the sole source of income, to a knowledge economy based on competence of human resources and knowledge to achieve economic growth. This paper try to find answers to the following questions: what is the position of Algeria against the indicators of the Knowledge economy compared to the rest of the world? What mechanisms and policies that should be put in place to integrate Algeria in this new economy? Based on a comparative analysis we examine the readiness of the Algerian economy to Integrate Knowledge economy. The study adopts The World Bank methodology based on the four pillars– institutional regime, education, innovations and ICT. It summarizes both positive and negative sides, difficulties, and relies on the possible actions to resolve them regarding the attainment of the relevant national objectives. The study revealed that Algeria should pursue a long-term strategy for the development of knowledge, focusing on achieving a real rate of growth