

The Evolution of the Entrepreneurial Environment for Start-ups in Algeria 2019-2023

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Abstract:

The aim of this academic paper is to study the evolution of the entrepreneurial environment for start-ups in Algeria during the period 2019-2023. It also highlights the challenges faced and opportunities seized by these enterprises. In addition, it explores the success factors within this entrepreneurial ecosystem.

To support these start-ups, the Algerian government has taken significant steps to enhance the entrepreneurial environment by establishing a fund administration that finances these enterprises and ensures their development.

This research serves as a reference and provides recommendations for improving governmental organizational structures by fostering innovative ideas that help enhance financial frameworks, with a particular focus on legal aspects and regulations that guarantee progress in the entrepreneurial ecosystem.

Keywords: Entrepreneurial Environment, Startups, Ecosystem, Economic Development.

Jel Classification Codes: O12, M32

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1. INTRODUCTION

Improving and fostering the entrepreneurial environment for start-ups in Algeria is a critical challenge to ensure their success and longevity. This requires the development of carefully considered strategies that take into account the challenges faced and the opportunities presented by the local market, as well as the economic and political factors influencing the business landscape.

Achieving growth and prosperity necessitates a deep understanding of the elements that contribute to the success of start-ups. These factors include government policies, tax and legal regulations, regulatory barriers, financing, technology, and innovation. Additionally, it is essential to evaluate the framework and analyze the cultural and social context in which entrepreneurs operate.

Enhancing the entrepreneurial environment can attract both local and foreign investments, Boost creativity and productivity, strengthen competition, and build a diverse and sustainable economy. This can be accomplished by providing the necessary support and creating an enabling climate for the growth of start-ups.

The core of this study lies in the imperative need to optimize the entrepreneurial environment in Algeria, recognizing its essential role in fostering the growth trajectory of nascent enterprises and bolstering the national economic fabric. This research aims to examine the nuanced impact of improvements in the entrepreneurial environment on achieving sustainable development objectives and enhancing the success prospects of emerging initiatives within the Algerian context.

At the Central to this investigation is an in-depth assessment of the efficacy of governmental policies and regulatory frameworks, analyzing and assessing their effects on start-up proliferation, job creation, innovation stimulation, and entrepreneurial vitality within Algeria's economic landscape.

Furthermore, this study aims to navigate current and future challenges, emphasizing the formulation of innovative and pragmatic interventions designed to strengthen the entrepreneurial ecosystem and generate sustainable economic progress nationwide. The research problem gives rise to a series of critical questions, including but not limited to:

- What are the key obstacles hindering the business ecosystem for start-ups in Algeria?
- What strategies and policy paradigms has the Algerian government implemented to improve the entrepreneurial environment for start-ups, and what impacts are anticipated?
- How can the effectiveness of existing governmental policies in enhancing the entrepreneurial environment and fostering start-up growth be systematically evaluated?
- What foreseeable challenges loom on the horizon for the business landscape catering to start-ups in Algeria, and what strategies can effectively mitigate them?
- How can technology and innovation be leveraged to enhance the startup ecosystem and achieve sustainable development goals in Algeria?

Firstly: Government Policies and Legislation Affecting the Development of the Start-up Entrepreneurial Environment (2019-2023):

With the rapid evolution of start-ups in the current era, there is growing interest in understanding how the entrepreneurial environment impacts the growth of these emerging enterprises. Government policies and legislation play a critical role in creating favorable conditions for investment and innovation.

In this context, the Algerian government has taken a series of decisions aimed at enhancing and developing the entrepreneurial environment for start-ups, thus contributing to the resolution of economic and social challenges. These efforts include encouraging the establishment of start-ups and providing the necessary support to make them a proactive sector in economic development and an effective mechanism for reducing unemployment.

To achieve these objectives, the public authorities in Algeria have undertaken the following measures:

1-Supportive Laws for the Entrepreneurial Environment:

Government policies and legislation in Algeria aim to support the development of the entrepreneurial environment for startups by providing financial support, infrastructure, streamlining administrative procedures, and establishing specialized entities. Among these legislations are:

***Financial Law for the Year 2020:**

According to Article 131 of the 2020 Financial Law, a special fund titled the "Fund for Supporting and Developing the Startup Economy" was created. This initiative aims to bolster the startup ecosystem, foster innovation, and support projects of national importance that contribute to economic development.(Law No. 19-14, 2020)

A dedicated ministry for startups was established by presidential decree in January 2020, which also involved the appointment of cabinet members. The ministry was named the "Ministry of Startups and Knowledge Economy," and a Minister Delegate was appointed to oversee the startup sector.(Presidential decree No 20-1, 2020)

Enhancing the entrepreneurial ecosystem in Algeria presents a critical challenge for ensuring the success and sustainability of startups. Achieving this requires well-crafted strategies that address both the challenges and opportunities of the local market, while also considering broader economic and political factors.

Sustainable growth and prosperity depend on a deep understanding of the key factors influencing startup success. These factors include government policies, tax and legal frameworks, regulatory obstacles, access to financing, and the role of technology and innovation. Equally important is assessing the business infrastructure and understanding the cultural and social environment in which entrepreneurs operate.

Investing in improving the entrepreneurial ecosystem can attract both domestic and foreign investment, drive innovation and productivity, enhance competition, and help build a diverse and sustainable economy. This can be achieved by creating an enabling environment and offering adequate support for startups.

The official "startup" label is granted for a period of four years, renewable once. To qualify for this label, the applicant must meet specific criteria as defined by Algerian law. The application process is carried out via the national electronic startup portal, where applicants submit required documents, including a copy of the commercial register.(law No 20-01, 2020)

The start-up label is granted for a period of four years, renewable once. To obtain the start-up label, applicants must meet specific criteria defined by Algerian law. The application is submitted through the national electronic portal for start-ups, along with required documents such as a copy of the commercial register, tax identification card, statistical identification card, the company's articles of association, a certificate of affiliation with the National Social Security Fund (CNAS) and a list of employees, a certificate of affiliation with the National Social Security Fund for Non-Employees (CASNOS), a copy of the financial statements for the current year, a detailed business plan for the start-up, and evidence of the scientific, technical, and experiential qualifications of the start-up's employees.(law No 20-01, 2020)

*Executive Decree No. 254/20, dated September 15, 2020: This decree aims to facilitate the procedures for establishing institutions, define methods for evaluating their performance, and outline ways to support and finance them. This decree aligns with the provisions of the 2020 Finance Law, which includes tax incentives and facilitations to benefit start-ups.(Executive decree No 20-254, 2020)

***The Law of 2023:**

In 2023, the Minister of Finance announced the establishment of a new legal framework aimed at supporting innovative companies and young projects in Algeria. This system seeks to define the operational conditions for the intervention of "participatory investment advisors" in the financial market.

This new legal framework represents a significant step, as it allows broader public participation in participatory financing, facilitated through digital platforms. This encourages direct and transparent communication between start-ups and investors. This system adds an important mechanism to existing methods for funding start-up projects, such as the Start-up Support and Development Fund and venture capital companies, which are permitted to own more than 49% of a start-up's capital. With this step, public authorities are encouraging innovation-driven companies and young projects, especially those focused on improving services for the population, thereby enhancing the development of start-ups in the country.

Among the proposed measures are the creations of trademarks supporting the concept of "start-up" and "innovative project," the increased establishment of university incubators, and the formulation of laws governing simplified stock companies and establishing an investment fund dedicated to financing start-ups. The results of this policy, according to the Minister's statements, have seen the emergence of hundreds, if not thousands, of start-ups making their mark on the international scene, with many winning global awards. Financial technology start-ups (Fintech) are playing a pivotal role in reshaping financial system institutions, prompting Algerian financial institutions toward digitization and providing higher quality services. However, with the rise of these innovative young companies, legal frameworks governing their funding must be adapted to ensure safety and protect interests.

2. Financial Support for the Entrepreneurial Environment:

Sustaining the rapid and substantial growth of startups requires continuous funding from diverse sources to cover various needs, such as research and development, product testing, human resource recruitment, equipment investment, and more. Given that unique and innovative ideas often face multiple risks and uncertain success, startups frequently need to turn to modern financing sources rather than relying solely on traditional methods like bank loans. Bank loans tend to have high costs and collateral requirements, which are often beyond the reach of startups, especially in their early stages.

One contemporary source of funding available to startups is the financial market, which can serve as a viable alternative, although it may sometimes result in offering shares at values significantly lower than their true worth. These financing sources typically include:

- Venture Capital:

The emergence of startups is closely associated with the development of the venture capital sector, a key driver of technological hubs in the United States. Venture capital refers to medium- to long-term investments that involve participation in the equity of startups whose full valuation has yet to be realized. Venture capital firms strategically allocate their investments based on the financial performance of established institutions and large corporations, focusing on startups with promising investment potential, particularly those in specific sectors. This approach aims to optimize the financing efficiency of startups, especially in later stages following the initial involvement of "angel investors," albeit with larger investment volumes.(Boualem, 2020)

The robustness of the entrepreneurial environment for startups is directly correlated with the stability of the financial system within a given economy. Diverse and favorable financial indicators serve as positive reflections of this relationship.(Aleisa, 2013)

One indicator of a successful entrepreneurial environment is the presence of robust capital, along with the availability of venture capitalists and business angels. Additionally, strong activity in debt and credit markets, as well as liquidity in the securities market, is key indicators.(Nicotra, 2018)

Mason and Brown argue that the local presence of venture capital is not necessarily essential, as it can be imported from outside the entrepreneurial environment. They also emphasize the importance of local investors engaging with national and international venture capital funds capable of providing the value-added support that startups require.(Mason & Brown, 2013)

3. Challenges of the Legal and Regulatory Framework:

In the context of legislative regulation for startups in Algeria, Minister Delegate Yassine Mahdi Walid announced during the regional startup conferences held on March 20, 2021 (in the West) and October 13, 2021 (in the East), the introduction of new amendments to the commercial law and the launch of a new model for joint-stock companies, known as "simplified joint-stock companies." The amended draft law, supplementing Order No. 75-59, was approved on March 29, 2022, allowing for the establishment of this new type of company, which can be formed by a single person.

Despite the pivotal role of entrepreneurs, their success largely depends on the suitability of the business environment in which they operate. The success of startups relies on a supportive climate that encourages creative individuals with the necessary ideas, readiness, and capabilities to turn them into reality.

The entrepreneurial environment in Algeria has long been considered challenging due to various obstacles, including complex bureaucracy, numerous administrative procedures, delays in adhering to scheduled timelines, tax burdens, financing difficulties, scarcity of information, and issues related to acquiring industrial properties. Some studies indicate that

40% of entrepreneurs face difficulties in finding suitable industrial properties, with this process taking an average of five years. This is attributed to the lack of rational distribution and regional balance, in addition to complex administrative procedures and the involvement of multiple authorities, leading to a dispersion of decision-making authority regarding property grants among various entities.

The real estate problem in Algeria may be perceived as more related to management than availability, with approximately 72 industrial zones and 450 activity areas in the country. Nevertheless, the government has taken several initiatives to address the real estate issue, such as establishing enterprise nurseries and creating 100 shops in each municipality, among others. All these factors drain entrepreneur's efforts, time, and resources, limiting the success of startups and other entrepreneurial activities.(MEZIANE & AMAROUCHE)

Therefore, it is necessary to address these challenges to create a conducive business environment for startups.

Secondly: Infrastructure

The availability of robust infrastructure is considered one of the fundamental pillars supporting a favourable business environment for startups. Any economic activity requires a minimum level of resources and utilities, and entrepreneurship is no exception. Ojaghi argues that a conducive entrepreneurial environment requires integrated infrastructure to address gaps, enhance collaboration among stakeholders, and foster synergy within its network of relationships. This integration enables the effective use of knowledge, resources, and processes to support innovation.(Ojaghi, Mohammadi, & Yazadani , 2019)

Moreover, Audretsch and Belitski emphasize the necessity for infrastructure to facilitate interaction among active individuals, local and regional authorities, researchers, clients, educational institutions, and non-profit organizations within the business environment. Infrastructure should provide facilities, favourable material conditions, and necessary communication capabilities, thereby increasing employment rates, mobility, and other intermediary services. These factors, in turn, foster the emergence of new markets and ideas.(Audretsch & Belitski, 2017)

Mason and Brown also highlight the importance of the geographic allocation of the business environment, where a location with significant and suitable assets for startup operations is seen as an indicator of the vitality of the business environment. For example, the city of Oxford in England is regarded as a model of a favorable business environment, clearly demonstrating an integrated system that supports the growth and development of startups.

Thirdly: Technology and Innovation

Technology plays a vital role in supporting the business environment for startups. The establishment of the Supreme Council for Innovation is considered a pivotal step in guiding the national strategy to enhance innovative ideas and exchanges. This council will significantly contribute to harnessing the national potential in scientific research, thereby supporting technological advancement and enhancing the country's research capabilities.(Mason & Brown, Creating good public policy to support high-growth firms, 2013)

A legal framework has been established to define the concepts of startups and business incubators, as well as terms related to the knowledge economy, as follows:

- Transforming the National Agency for the Promotion and Development of Technological Incubators (ANPT) into the Ministry of Small and Medium Enterprises, Startups, and the Knowledge Economy.
- Converting the Regional Technological Excellence Pole for startups, implemented by Sonatrach, into the Ministry of Small and Medium Enterprises, Startups, and the Knowledge Economy.
- Enabling innovative project holders and startups to benefit from available spaces within institutions in the youth and vocational training sectors.
 - Organizing seminars and meetings related to startups, with three seminars planned to address startups and venture capital, in addition to support structures for startups, such as incubators and business accelerators.(hussein , s.d.)
 - The decision dated 12 Jumada al-Awwal 1444 (corresponding to 6 December 2022) appointed members of the National Award Committee for Small and Medium-Sized Innovative Enterprises, pursuant to the provisions of Articles 4 and 5 of Executive Decree No. 18-226 dated 14 Muharram 1440 (corresponding to 24 September 2018). This decree establishes a national award for small and medium-sized innovative enterprises and determines the conditions and procedures for granting it. The formation of the National Award Committee will later be completed by appointing the directors-general of both the Small and Medium Enterprises Development and Innovation Promotion Agency and the National Agency for Entrepreneurship Support and Development.(Executive Decree No 18-226, 2018)

Fourthly: Characteristics Related to Communication and Networking

One of the key focal points emphasized in the approach to business environments is the interactive relationship related to communication and networking. The elements of the business environment are interconnected rather than isolated components, and this interconnection is as important as the elements themselves. As Bell-Masterson and Stangler put it, "In the language of cooking, recipes are more important than listing ingredients," which applies to the business environment.(Bell-Masterson & Stangler, 2015)

Therefore, a good business environment must have a strong and diverse network of relationships to ensure the exchange of ideas, access to resources, receive encouragement and advice, and overcome obstacles that entrepreneurs may face, identify new opportunities, and seize them. It is essential for the network of relationships to function as a tool for building reputation, introducing products to the market, and driving innovation. This network should not be constrained by incomplete information about partners or uncertainty stemming from its novelty. Moreover, it should not focus solely on technology while neglecting other aspects. Sufficient time should be allocated to establish and develop the network of relationships, respecting its priority logic. Additionally, its scope should be broad enough to encompass all active parties within the business environment, ensuring its effectiveness in bridging knowledge creation and investment success(Ojaghi, Mohammadi, & Yazadani , 2019)

Fifthly: Entrepreneurial Culture

The entrepreneurial culture in Algeria is experiencing significant growth due to educational and training efforts. Universities and institutes now offer specialized programs in entrepreneurship, while numerous events and workshops are organized to enhance entrepreneurial skills. Active entrepreneurial communities, such as "Startup Algeria" and "Algiers Startup Grind," provide platforms for communication and knowledge exchange among entrepreneurs, investors, and experts.

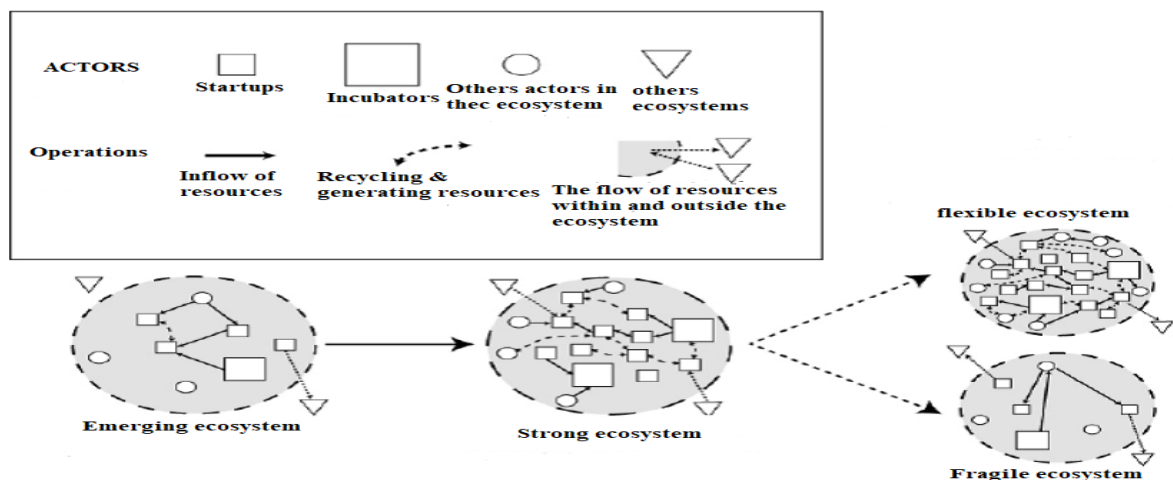
Moreover, robust business environments are characterized by rich information availability, allowing individuals to access knowledge about evolving customer needs, new technologies, operational and delivery capabilities, resource and equipment availability, as well as customer service and marketing concepts. This accessibility helps entrepreneurs identify and address gaps in products, services, supplier networks, and market coverage. (Mason & Brown, Creating good public policy to support high-growth firms, 2013)

The educational process serves as a catalyst for cognitive advancement within startup ecosystems, being a primary influencer of entrepreneurial behavior. Hechavarría and Ingram suggest that education must increase the supply of entrepreneurs by promoting entrepreneurship as a viable career option and providing the essential skills to start a business. These skills contribute to the cognitive ability to identify, assess, and exploit new opportunities. The researchers further emphasize the importance of rapid knowledge transfer between institutions and entrepreneurs, which supports entrepreneurship and creates new opportunities. (Hechavarría & Ingram, 2019)

Sixthly: The Evolution of the Entrepreneurial Environment for Startups

The evolution of the business environment for startups refers to transformations in its structural and dynamic characteristics, affecting startup performance and operations at various levels. Spiegel and Harrison have modeled the stages of this development, as illustrated in the following figure: (Spiegel & Harrison, 2018)

The Evolution of the Ecosystem for Startups (Figure 1)



Source: Noui Mohamed El Amine. (2023). Analytical Study of the Factors of Success and Failure of Startups, p. 155

The preceding figure illustrates researcher's assumption that the startup ecosystem evolves into a robust system, facing two potential paths: either transitioning into a flexible system or deteriorating into a weak one. Throughout this evolution, stakeholder behaviours change, necessitating an understanding of these shifts. As Levin points out, "Understanding the evolution of complex adaptive systems requires understanding how alliances and interactions emerge from individual behaviours and the feedback loops that reinforce them." (Levin, 2003)

Fund for Supporting and Developing the Economic System for Startups:

According to Law No. 19-04 of the Finance Law for 2020, issued on December 1, 2019, specifically Article 131, a special treasury account numbered 150-302 was established. This fund, registered under expenditure, aims to finance bank loans for startups at incentivized rates, facilitate obtaining bank loans, and support training and incubation programs. (Law No. 19-14, 2020) Officials have confirmed that this fund finances startups and covers associated costs, including potential project losses. The fund offers services to help startups secure financing for their activities and is part of a broader initiative aimed at promoting entrepreneurial spirit. (Naar, 2021)

The fund officially began operations on October 4, 2020. The Minister Delegate announced to the Algerian Press Agency that the fund would address startup financing through an equity-based investment mechanism, rather than traditional loan-based methods, allowing for the absorption of potential project risks. The Minister stated that every enterprise classified as a 'startup,' after registering on the electronic portal, would be eligible for three types of investment: 2,500,000 Algerian Dinars for the establishment of the enterprise, 5,000,000 Algerian Dinars for development, and 20,000,000 Algerian Dinars as venture capital investment. (Idjridene, 2021)

The government introduced a series of tax incentives for startups, implemented in two distinct phases. The first phase, outlined in Article 33 of Law No. 20-07 dated June 4, 2020, grants startups a three-year exemption from professional activity fees and from income or corporate tax starting from the commencement of their operations. Additionally, these startups are exempt from the single flat tax and value-added tax on equipment purchased for their investment projects. (Law No 20-01, 2020)

In the second phase, as specified in the 2021 Finance Law, particularly in Article 86, which amends Article 33 of the Supplementary Finance Law of 2020, startups are granted a four-year exemption from professional activity fees and from income or corporate tax, starting from the date they receive the 'startup' designation, with an additional year of exemption if renewed. These startups are also exempt from value-added tax and are subject to a reduced customs duty rate of 5% on equipment essential for their investment projects. Furthermore, Article 87 of the same law provides that businesses designated as 'incubators' receive a two-year exemption from professional activity fees and from income or corporate tax, beginning from the date of obtaining the designation, along with an exemption from value-added tax on equipment directly used in their investment projects. (Law No20-16, 2020)

Seventhly: Analysis of Challenges and Future Opportunities Related to Business Environment Development

Adequate and diversified funding is essential for the success of entrepreneurial ventures. Ensuring that these ventures are not hindered by financial constraints or challenges in accessing various funding sources is a vital aspect of the regulatory environment facilitated

by the government. Legal frameworks and supportive policies encompass a range of laws and regulations established by the state, aiming to foster the growth and development of entrepreneurial ventures, or at the very least, not prevent their progress.(Noui, 2023)

Startup Blink relies on three fundamental criteria in its classification of entrepreneurial ecosystems and business environments: quantity, quality, and entrepreneurial environment. The total points for a relevant ecosystem are determined by assessing each of these criteria. The number of startups and supporting entities within the ecosystem measures quantity. Quality factors include the presence of branches and research and development centres for international tech companies and multinational corporations, total private sector investments, and the number of employees in each startup. The business environment criterion focuses on indicators related to infrastructure, business climate, and ecosystem critical mass, as well as the ability of startup owners to operate freely within the ecosystem.(report, 2021)

The absence of Algeria's entrepreneurial ecosystem from Startup Blink's classification highlights a significant gap in the indicators required to evaluate a thriving startup environment. This classification includes entrepreneurial ecosystems from several Arab countries with varying economic contexts, such as Tunisia, Jordan, and Morocco, as well as African countries like Rwanda, Nigeria, and Kenya, and more recent, additions like Ethiopia and Namibia. Algeria's omission emphasizes a stark disparity, with its ecosystem lagging far behind leading ecosystems such as that of the United States.

In fact, Startup Blink also ranks ecosystems in 1,000 cities or regions worldwide. Here, Algiers, the Algerian capital, ranks 984th with a total score of just 0.071. This score is broken down into a quantity score of 0.01, a quality score of 0.03, and a business environment score of 0.03. This low ranking reflects a decline of 16 positions compared to 2020, indicating a need for significant development and improvement in Algeria's entrepreneurial landscape.

Within the broader entrepreneurial ecosystem, various factors influencing institutions—whether they succeed or fail—become clear. It is misleading to assert that the success of one institution is solely due to the availability and diversity of funding sources while another fails due to weak and non-diverse funding. Instead, successful institutions often manage to secure funding effectively, while those that fail struggle to do so.

Startups can shift from failure to success, or vice versa, by adjusting one or more of these critical factors. For example, entrepreneur training can empower individuals with the skills necessary to lead a startup effectively, transforming it from a struggling venture to a successful one. This ability to adapt to the requirements for success highlights the dynamic nature of entrepreneurship, where continuous learning and evolution are essential for navigating challenges and seizing opportunities in the market.

As for the environmental dimension, adaptation involves altering the impact of factors rather than the factors themselves. For example, a startup can change its approach to exploit legal loopholes in its favor after facing difficulties in this regard. However, this doesn't imply that the legal environment has become perfect; rather, its impact may have changed. This means that differences in the operational structure between the two cases do not imply the absence of strong factors, and that factors within the previous dimensions remain of greater importance. Nevertheless, the nature of each dimension dictates those priorities, making the resulting conclusions highly logical.

In the Algerian market context, factors related to market nature emerge as contributing to the failures of startups. However, these factors may not be sufficient to support cases of success. Key factors affecting startups in the Algerian market include stakeholders fluctuating opinions, with customers sometimes exhibiting resistance to change, which can hinder startup

innovation. Additionally, the Algerian market demonstrates an immature base, raising questions about the presence of demand components in the ecosystem.

The legal and legislative framework in Algeria seems to obstruct rather than facilitate the success of startups. Current laws do not align well with the distinct characteristics of these businesses, which are characterized by ambiguity, frequent changes, bureaucracy, and complex administrative processes. As a result, they fail to deliver the essential support that startups require.

While recent legislative developments indicate a shift toward better understanding the startup concept, they lack the precise details defining this concept. Furthermore, questions arise about the enforcement and coordination of these laws, necessitating further investigation into this matter. However, there are indications of a political will to improve the legal environment, suggesting ongoing efforts toward enhancement and restructuring.

Moreover, essential contributors to success include guidance, mentorship, and engagement with business incubators and accelerators, along with active participation in startup events. Guidance and mentorship help compensate for entrepreneurs' skill deficiencies, foster networking, and facilitate access to crucial funding. Additionally, involvement in business incubators enhances startup visibility, amplifies product-marketing efforts, broadens networking opportunities, and provides avenues for forming partnerships with other entities.

On the flip side, several weaknesses in the Algerian entrepreneurial ecosystem challenge startup adaptability:

- The system lacks suitable funding sources, hindering growth.
- A weak legal environment, immature market foundation, and the absence of coherence among stakeholders intensify challenges.
- The ecosystem lacks fertile ground conducive to growth, complicating circumstances for Algerian entrepreneurs.

Therefore, despite the political will to improve the legal and legislative environment, Algeria's ecosystem remains in a construction phase, requiring further development and enhancement to support the success of startups.(Noui, 2023)

Eighthly: Proposed Strategies for Developing the Entrepreneurial Environment in Algeria

Amid Algeria's economic transformation and rapid development, there is increasing interest in enhancing the business environment to support startups and foster innovation. Below are some proposed strategies to stimulate Algeria's startup ecosystem:

- **Directing Innovation:** Encourage startup owners to explore opportunities in Algerian and global markets, expanding their reach through innovations.
- **Increasing Innovation Awards:** Enhance government-sponsored innovation awards and implement criteria to distinguish ground breaking innovations, providing greater incentives to their creators.
- **Intensifying Training Programs:** Expand training sessions focused on business model development, technical, and economic determinants, with emphasis on effective team selection.

- **Enhancing Supportive Roles:** Expand business incubators and accelerators with quality oversight, increase consultancy centers, and facilitate advisor access for emerging enterprises.

CONCLUSION:

Improving the business environment for startups in Algeria is essential to achieving sustainable development and strengthening the national economy. To this end, the Algerian government should take further measures to enhance the business climate by simplifying legal and regulatory frameworks, ensuring access to necessary funding, and fostering a culture of innovation and entrepreneurship. Through close collaboration among the government, private sector, and academic institutions, Algeria's entrepreneurial ecosystem can be bolstered, providing critical opportunities for startup growth and contributing significantly to economic development, job creation, and sustainable progress in the country.

- Encouraging a culture of investment and entrepreneurship has already fostered private sector growth and boosted innovation in Algeria.
- Supporting venture capital and providing investment financing has enabled startups to grow sustainably, thereby strengthening the national economy.

In conclusion, it is crucial to emphasize the following:

1. **Simplify administrative procedures** and offer financial incentives to drive innovation and entrepreneurship in Algeria.
2. **Provide targeted training programs** for youth on establishing and managing startups to foster a culture of investment and entrepreneurship.
3. **Strengthen the role of venture capital** and increase investment financing to support a vibrant startup ecosystem.
4. **Facilitate cooperation and partnerships** between local and international investors in venture capital to stimulate economic growth.
5. **Enhance the regulatory environment** and streamline bureaucratic procedures to create a supportive environment for startups and expand investment opportunities in Algeria.

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