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**The Effectiveness of the Legal Framework Supporting
Entrepreneurship in Algeria: An Analysis in Light of Recent
Legislative and Financial Reforms**

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Abstract :

This study aims to analyze the effectiveness of the legal and institutional framework regulating entrepreneurship in Algeria through a critical approach that links declared legislative objectives with practical results achieved on the ground. The study proceeds from the hypothesis that the limited economic impact of entrepreneurship is not primarily due to a lack of initiative or weak human capacities, but rather to structural imbalances in the legal, regulatory, and financial environment governing entrepreneurial activity.

The study adopts a critical analytical methodology by examining recent legislative texts, particularly the Investment Law, the Self-Employed Entrepreneur Law, and the Monetary and Banking Law, and linking them to the practical reality of start-up projects.

The study concludes that the persistence of procedural complexities, the weak utilization of intangible assets, and the limited financing instruments directed towards innovation constitute major obstacles to the development of value-added entrepreneurship. It also highlights the need to build a more coherent legal system based on enhancing legal security, developing innovative financing mechanisms, and activating the role of institutions supporting entrepreneurship. The study concludes that the success of entrepreneurial policies in Algeria remains contingent upon the legislator's ability to transition from the logic of administrative support to building an integrated legal environment that encourages innovation and investment and achieves sustainable economic development.

Keywords:

Entrepreneurship; Legal Environment; Investment; Self-Employed Entrepreneur; Start-ups; Legal Security; Innovative Financing; Economic Development; Economic Governance; Algeria.

Introduction:

Contemporary economic and legal theories have witnessed a fundamental shift in determining the determinants of economic development and sources of wealth. Reliance on natural resources or physical capital alone is no longer sufficient to achieve sustainable growth; rather, knowledge, innovation, and individual initiative have become among the most prominent pillars upon which modern economies are built (Schumpeter, 1934, pp. 65-74).

In this context, entrepreneurship has emerged as a key mechanism for enhancing economic activity, creating job opportunities, stimulating innovation, and achieving economic diversification (Audretsch, 2012, pp. 755-764).

Many countries have recognized the importance of entrepreneurship as a lever for development and have worked to develop their legal and institutional frameworks to create a favorable environment for the emergence of start-ups and support individual and collective investment initiatives (Isenberg, 2010, pp. 40-50).

Algeria has not been immune to these transformations, having witnessed notable legislative and institutional momentum in recent years aimed at enhancing the investment climate and developing the entrepreneurial environment. This has been primarily embodied through the enactment of Law No. 22-18 on Investment, Law No. 22-23 on the Self-Employed Entrepreneur, as well as Ordinance No. 23-09 containing the Monetary and Banking Law, in addition to the establishment of a special system for start-ups and innovative projects (Law No. 22-18 on Investment; Law No. 22-23 on the Self-Employed Entrepreneur; Ordinance No. 23-09 containing the Monetary and Banking Law).

These reforms reflect the Algerian legislator's will to transition from traditional approaches based on social support and combating unemployment to an approach more closely linked to wealth creation, stimulating private initiative, and enhancing productive economy (North, 1990, pp. 3-15). However, the multiplicity of legal texts and supporting institutions has not been sufficiently reflected in the reality of entrepreneurship. Many start-ups still face difficulties related to financing, administrative procedures, weak institutional coordination, and the limited capacity of the legal system to accommodate the specificities of innovative activities based on knowledge and intangible assets (Zaidi, 2022, pp. 108-122).

Thus, the question arises regarding the effectiveness of the current legal system in achieving the objectives targeted by recent legislative reforms and its ability to transform entrepreneurial initiatives into sustainable economic projects capable of contributing to economic development.

Accordingly, the problem of the study revolves around the following question:

To what extent is the legal framework effective in supporting entrepreneurship in Algeria? What are the most prominent legal and regulatory imbalances that prevent the achievement of its economic and developmental objectives?

The following sub-questions fall within this problem:

- What is the legal and institutional framework regulating entrepreneurship in Algeria?
- To what extent are recent legislative reforms effective in supporting entrepreneurial activity?
- What are the most important legal and regulatory obstacles limiting the effectiveness of the entrepreneurial environment?
- What mechanisms are capable of developing the legal framework supporting entrepreneurship?

The study assumes that the Algerian legislator has succeeded in building a relatively advanced legal and institutional framework to support entrepreneurship. However, the effectiveness of this framework remains limited due to a set of imbalances related to institutional implementation and the continuation of certain legal and financial constraints that are incompatible with the nature of modern innovative projects.

The study adopted the analytical method in studying the legal texts regulating entrepreneurship and the critical method to evaluate their practical effectiveness, while drawing on some elements of the comparative method when appropriate.

To answer the posed problem, the following plan was adopted:

Section One: The Legal and Institutional Framework for Entrepreneurship in Algeria.

Section Two: Limits of the Practical Effectiveness of the Legal Framework Supporting Entrepreneurship.

Section Three: Mechanisms for Developing the Legal and Institutional Environment for Entrepreneurship in Algeria.

Section One: The Legal and Institutional Framework for Entrepreneurship in Algeria

The legal and institutional framework represents one of the fundamental pillars for the success of public policies aimed at developing entrepreneurship. The effectiveness of investment initiatives largely depends on the clarity of the legal rules governing them and the efficiency of the institutions responsible for implementing them and supporting project holders. Based on that, the legislative basis for entrepreneurship in Algeria (First Requirement) will be addressed, followed by the supporting institutional framework (Second Requirement).

First Requirement: The Legislative Basis for Entrepreneurship in Algeria

Entrepreneurship in Algeria has come to be based on a multi-dimensional legal system in which investment, financing, commerce, taxation, and innovation rules intersect. This reflects the evolution of the legislative view of entrepreneurial activity as a tool for economic development, not merely a means to combat unemployment.

First Branch: The Evolution of Legislative Policy Supporting Entrepreneurship

Algerian legislative policy has witnessed notable development in recent years through a gradual transition from the logic of social support to the logic of encouraging investment and innovation. Law No. 22-18 on Investment is one of the most prominent manifestations of this orientation, as it enshrined a set of modern legal principles, including the freedom of investment, ensuring the stability of privileges granted to investors, simplifying administrative procedures, and enhancing the role of the one-stop investment shop (Law No. 22-18 on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, 2022; Ben Hamadi, 2021, pp. 97-111).

The Algerian legislator also reinforced this orientation by enacting Law No. 22-23 on the Self-Employed Entrepreneur, which aims to integrate individual activities into the formal economy and provide a simplified legal framework for practicing economic activity, thereby expanding the base of individual initiative and benefiting from legally prescribed tax and social privileges (Law No. 22-23 on the Self-Employed Entrepreneur, Official Gazette, No. 85, 2022; Fouda, 2019, pp. 56-67).

In parallel, legislative policy has moved towards encouraging innovative projects and start-ups by establishing legal and regulatory mechanisms that allow supporting technological innovation and enhancing the contribution of the knowledge economy to national development (Ben Ahmed Al-Sharif, 2023, pp. 77-95; Executive Decree relating to start-ups and business incubators).

Second Branch: Financial and Banking Legislation Related to Supporting Entrepreneurship

Financing represents one of the most critical factors influencing the success of entrepreneurial activity, which explains the link between the effectiveness of the entrepreneurial environment and the ability of financial and banking legislation to provide financing mechanisms suitable for the nature of start-ups (Stiglitz & Weiss, 1981, pp. 393-410).

In this context, Ordinance No. 23-09 containing the Monetary and Banking Law came to establish a more modern legal framework for the financial and banking sector, expanding the range of financial products, developing Islamic finance, and strengthening banking supervision (Ordinance No. 23-09 containing the Monetary and Banking Law, Official Gazette, No. 43, 2023; Masaadia, 2022, pp. 201-245).

However, the effectiveness of these reforms remains linked to the ability of financial institutions to move beyond traditional approaches based on tangible guarantees towards financing mechanisms more suitable for innovative projects that rely primarily on knowledge and intangible assets (Merrouche, 2020, pp. 88-104; de Soto, 2000, pp. 35-57).

Second Requirement: The Institutional Framework Supporting Entrepreneurship

Alongside legislative reforms, Algeria has worked to develop a multi-level institutional system that undertakes to support project holders and provide them with the necessary assistance during the various stages of establishing and practicing economic activity.

First Branch: Public Bodies Responsible for Supporting Entrepreneurship

Several public institutions and bodies play pivotal roles in embodying the national policy to support entrepreneurship, including the Algerian Investment Promotion Agency (AAPI), the National Agency for Support and Development of Entrepreneurship (ANADE), as well as various accompaniment and economic support mechanisms (Zaidi, 2022, pp. 113-119; Ministry of Knowledge Economy, Start-ups and Micro-enterprises, Annual Activity Reports, 2023-2025).

These bodies undertake multiple tasks, including providing economic information, supporting investors, simplifying administrative procedures, and offering various forms of technical and financial support, thereby contributing to enhancing the success chances of entrepreneurial projects (Boudiaf, 2023, pp. 221-233).

Second Branch: The Role of the University and Business Incubators in Supporting Entrepreneurship

The Algerian university has witnessed increasing interest in recent years in spreading entrepreneurial culture through the establishment of university business incubators, entrepreneurship development centers, and entrepreneurship houses, aiming to strengthen the relationship between the university and its economic and social environment (Touati, 2025, pp. 145-163).

These structures seek to support students and innovative project holders and transform scientific research results into viable economic projects. However, the effectiveness of these institutions remains linked to their ability to transition from an awareness-raising role to more specialized roles in incubation, financing, legal consulting, and marketing (Badrani, Iraïen, & Hadj Issa, 2024, pp. 84-102).

Section Two: Limits of the Practical Effectiveness of the Legal Framework Supporting Entrepreneurship in Algeria

To evaluate the effectiveness of the legal framework supporting entrepreneurship, it is not enough to review legal texts and newly established institutions. Rather, it is necessary to assess their ability to achieve the objectives for which they were created. The significance of legislation lies not in the multitude of texts or administrative bodies, but in the extent to which they are reflected in economic reality and transform individual initiatives into productive and sustainable projects (North, 1990, pp. 54-67).

Numerous field studies conducted in Algeria, particularly in the southern provinces, reveal a clear gap between the declared objectives of public policies supporting entrepreneurship and the results actually achieved on the ground. This raises the issue of legal and regulatory effectiveness of this system. Therefore, this aspect will be addressed by studying obstacles related to legislative and regulatory effectiveness (First Requirement), then analyzing the limits of the financing system in supporting innovative entrepreneurship (Second Requirement).

First Requirement: Obstacles to Legislative and Regulatory Effectiveness of Entrepreneurship

The existence of a theoretically advanced legal framework is not sufficient to ensure the success of entrepreneurial policy. The effectiveness of legislation remains contingent on its harmony with economic and social reality and the ability of institutions responsible for its implementation to achieve its

objectives. From this perspective, several problems emerge that limit the effectiveness of the legal environment for entrepreneurship in Algeria.

First Branch: The Gap Between Legislative Will and Practical Implementation

A review of recent legal reforms shows that the Algerian legislator has adopted a relatively advanced legislative discourse based on encouraging investment and innovation and facilitating economic initiative. However, field studies reveal that the practical impact of these reforms remains limited compared to declared ambitions (Hafsi, 2017, pp. 44-58).

The study by Badrani, Iraiien, and Hadj Issa (2024, pp. 90-96) showed that training programs and pedagogical support directed at students have largely succeeded in enhancing positive attitudes towards entrepreneurship, but this success has not been equally transformed into actual economic projects. This reflects the existence of a gap between the stage of building entrepreneurial intention and the stage of its practical realization.

From a legal perspective, this phenomenon can be explained by what is known in legal jurisprudence as the problem of "effectiveness of the legal rule." The effectiveness of legislation is not achieved upon its mere issuance, but depends on the availability of necessary implementation, monitoring, and incentive mechanisms (Posner, 2014, pp. 12-24; Mohamed, 2018, pp. 61-74). Therefore, the multiplicity of legal texts supporting entrepreneurship does not necessarily lead to achieving their objectives unless they are integrated with effective institutional mechanisms.

This problem becomes even clearer given the persistence of some administrative and procedural complexities related to establishing institutions and obtaining licenses and financing, despite efforts in digitalization and procedural simplification (Ben Hamadi, 2021, pp. 143-155).

Second Branch: Limited Effectiveness of Institutions Supporting Entrepreneurship

Alongside legislative problems, the effectiveness of institutions responsible for implementing entrepreneurial policies raises several fundamental questions.

Touati's study (2025, pp. 150-160) on Entrepreneurship Development Centers (CDE) showed that many of these structures still play a more awareness-raising and informational role than an incubating and executive role. Often, activity focuses on organizing study days, seminars, and theoretical training courses, while specialized legal, financial, and commercial accompaniment services remain relatively limited.

Zaidi's study (2022, pp. 117-123) on Ouargla province also revealed that public support projects are heavily concentrated in transport and simple service sectors, contrasted by a notable weakness in technological and industrial projects with high added value.

This situation reflects an imbalance in the mechanisms for economically guiding projects. Supporting bodies often focus on the number of funded files or established institutions, rather than focusing on the quality of projects and their ability to create wealth and innovate.

Thus, the problem relates not only to the existence of institutions but also to the effectiveness of their performance and their ability to achieve the purpose for which they were created. This aligns with modern trends in economic law jurisprudence that measure the success of public policies by impact and outcome indicators, not merely administrative activity indicators (Audretsch, 2012, pp. 760-763).

Second Requirement: The Inadequacy of the Financing System in Keeping Pace with Innovative Entrepreneurship

Contemporary economic and legal jurisprudence agrees that financing represents one of the fundamental determinants of the success and continuity of entrepreneurial activity. Indeed, many studies consider the quality of the financing system to be no less important than the quality of the legislative framework itself (Audretsch, 2012, pp. 757-760).

If modern laws have sought to encourage the establishment of start-ups and simplify investment procedures, the effectiveness of these efforts remains contingent on the existence of a financing system capable of accommodating the specificities of innovative projects, which differ fundamentally from traditional projects in terms of risk nature, asset structure, and profitability prospects.

In this context, several legal and institutional problems emerge concerning the suitability of the Algerian financing system for the nature of modern entrepreneurship, which necessitates studying the limits of traditional financing for innovative projects (First Branch), then exploring possible legal alternatives for developing entrepreneurial finance (Second Branch).

First Branch: The Limitations of Traditional Financing for Innovative Projects

The traditional banking system in most legal systems is based on the principle of credit caution, which requires assessing the borrower's ability to repay and ensuring the recovery of granted funds in case of project failure (Masaadia, 2022, pp. 211-223). Despite the importance of this principle in

protecting financial stability, its rigid application to start-ups leads to adverse outcomes for innovative entrepreneurship.

An innovative project in its early stages is often based more on an idea, knowledge, software, or patent than on tangible assets susceptible to pledge and execution (de Soto, 2000, pp. 45-58). Consequently, requiring traditional in-kind guarantees excludes a large number of promising projects from financing from the outset.

Economic literature has shown that this situation leads to what is known as "adverse selection," where traditional low-value-added projects obtain financing relatively easily, while highly potential innovative projects are excluded due to their high level of associated risk (Stiglitz & Weiss, 1981, pp. 393-410).

Field studies conducted in Algeria confirm this result. Zaidi's study (2022, pp. 118-124) on projects of the National Agency for Support and Development of Entrepreneurship (ANADE) showed that most funded projects are concentrated in transport and simple service sectors, while industrial and technological projects remain limited in presence.

From a legal perspective, this situation reflects the continued dominance of the logic of "guarantee before the project," whereas the philosophy of modern entrepreneurship is based on "the project before the guarantee," i.e., evaluating the economic potential of the investment idea rather than focusing on the personal wealth of its owner (North, 1990, pp. 83-91).

Furthermore, debt-based financing imposes fixed financial obligations on the entrepreneur from the early stages of the project, which may conflict with the specific nature of start-ups that typically need a period of time before achieving stable financial returns (Schumpeter, 1934, pp. 101-117).

Therefore, the problem lies not so much in the scarcity of financing but rather in the inadequacy of prevailing financing instruments for the nature of innovative projects.

Second Branch: Towards Developing Alternative Legal Mechanisms for Financing Entrepreneurship

Given the limitations of traditional financing, many comparative legal systems have moved towards developing financing instruments more consistent with the specificities of start-ups, relying on venture capital, innovative investment funds, and risk-sharing mechanisms (OECD, 2023, pp. 25-38).

In the Algerian context, this approach acquires particular importance given the transformations witnessed by the banking system in recent years,

especially with the strengthening of the legal framework for Islamic finance and the inclusion of more diverse financial products under Ordinance No. 23-09 containing the Monetary and Banking Law (Ordinance No. 23-09 containing the Monetary and Banking Law, Official Gazette, No. 43, 2023).

In this context, the "profit-and-loss sharing" (PLS) model emerges as one of the mechanisms that can provide a better balance between the requirements of protecting financial institutions and the necessity of encouraging innovative initiatives. This model is based on transforming the legal relationship from the "creditor-debtor" duality to the logic of "partner-investor," so that the financial return of the financier is linked to the success of the project, not merely the maturity of the debt (Merrouche, 2020, pp. 145-159; Mohsen & Bekir, 2023, pp. 88-102).

The importance of this approach lies in reducing the financial pressures faced by start-ups during their early stages. It also encourages the financing entity to play a more effective role in supporting the project and monitoring its progress, rather than merely monitoring the guarantees provided (Ben Hamadi, 2021, pp. 177-189).

However, the success of these alternative formulas remains linked to the necessity of developing the legal framework regulating them. This includes establishing clear rules for risk distribution, enhancing accounting transparency, developing digital oversight mechanisms, as well as increasing legal recognition of intangible assets as elements of economic value susceptible to evaluation and investment (de Soto, 2000; North, 1990).

It also requires enhancing integration between investment and financial policies, allowing the direction of financing towards high-value-added sectors, especially digital technology, renewable energies, and the knowledge economy, in line with the modern strategic orientations of the Algerian state (Law No. 22-18 on Investment; Law No. 22-23 on the Self-Employed Entrepreneur).

Section Three: Towards a Renewed Legal Model to Support Entrepreneurship in Algeria

The study has shown that the main problem suffered by entrepreneurship in Algeria is not the absence of legislative will or the lack of supportive bodies and institutions, but rather the limited effectiveness of the current legal system in transforming available human potential and financial resources into innovative and sustainable economic projects.

Overcoming this situation requires moving from the logic of partial reforms to the logic of structural reform based on the re-engineering of the legal and institutional environment for entrepreneurship.

Accordingly, the necessary legislative reforms to enhance the effectiveness of entrepreneurship will be addressed (First Requirement), followed by a study of mechanisms for developing the supporting institutional and financial system (Second Requirement).

First Requirement: Legislative Reform as an Entry Point to Enhance the Effectiveness of Entrepreneurship

Comparative experiences confirm that the success of entrepreneurial policies is linked to the legislator's ability to build a coherent and integrated legal system that responds to the specificities of start-ups and keeps pace with modern economic transformations. From this perspective, the necessity arises to review and develop some current legislative choices to enhance the effectiveness of the legal environment for investment and innovation.

First Branch: Enhancing Legal Security for the Entrepreneur and Investor

Legal security is considered one of the fundamental pillars of an attractive investment environment, as it allows individuals and institutions to anticipate the legal consequences of their actions and make their economic decisions within a framework of stability and clarity (North, 1990).

Despite the important guarantees brought by recent reforms for investors, enhancing legal security requires continuing to simplify administrative procedures, expanding digitalization, reducing the timeframes for processing investment files, and standardizing interaction pathways with the economic administration.

It also requires strengthening the principle of stability of legal positions related to investment, ensuring that economic projects are not suddenly affected by regulatory amendments or repeated procedural changes. This constitutes one of the essential elements for improving the business climate and encouraging economic initiative (Posner, 2014).

In the same context, developing the legal environment for entrepreneurship requires strengthening the legal protection of intangible assets, particularly intellectual property, trademarks, software, and technological innovations, as they represent the real capital of start-ups in the modern digital economy (de Soto, 2000; Mohamed, 2018).

Second Branch: Developing the Legal Framework for Innovative Entrepreneurship

The study revealed that a significant part of the current imbalances is due to the continued subjection of innovative projects to legal and financial mechanisms primarily designed for traditional institutions.

Therefore, enhancing the effectiveness of entrepreneurship requires adopting a more specialized legislative approach towards start-ups, based on distinguishing between traditional projects and innovative projects in terms of financing conditions, accompaniment mechanisms, and tax incentives (Audretsch, 2012; Isenberg, 2010).

In this context, the Algerian legislator can develop the legal framework for start-ups through:

- Expanding tax incentives granted to innovative projects.
- Strengthening the legal protection of scientific research and innovation.
- Simplifying procedures for establishing technology companies.
- Establishing legal mechanisms for evaluating and economically exploiting intangible assets.
- Developing legislation related to the digital economy and financial technology (FinTech).

It is also possible to consider establishing a special legal system for high-risk innovative projects, allowing greater flexibility in management, financing, and governance compared to traditional systems applied to ordinary commercial enterprises (North, 1990; OECD, 2023).

Second Requirement: Developing the Institutional and Financial System Supporting Entrepreneurship

If legislative reform represents a necessary condition for improving the entrepreneurial environment, its effectiveness remains linked to the existence of institutions capable of embodying these reforms and transforming them into tangible results on the ground.

First Branch: Restructuring the Support and Accompaniment System

The study has proven that part of the limited effectiveness of the entrepreneurial system is due to the predominance of administrative and procedural character over the strategic and directive character within some support mechanisms.

Therefore, developing this system requires moving from the model of "the granting administration" to the model of "the project-accompanying institution," so that the role of competent bodies is not limited to financing initiatives or receiving files, but extends to providing continuous legal, financial, and commercial consulting (Boudiaf, 2023; Touati, 2025).

It also necessitates enhancing integration between the university and the economic institution by developing business incubators and entrepreneurship

centers and transforming them into actual spaces for incubating innovation, transferring technology, and valorizing scientific research results.

In this framework, specialized university legal clinics can be established to support start-ups, providing free or low-cost consulting services in areas such as company formation, intellectual property, commercial contracts, arbitration, and investment (Badrani et al., 2024; Ben Hamadi, 2021).

Second Branch: Building a More Suitable Financing Model for Innovative Projects

The previous analysis concluded that one of the fundamental obstacles facing entrepreneurship is the incompatibility of part of the financing system with the nature of start-ups.

Accordingly, developing the financing environment requires diversifying available financing instruments and not relying solely on debt-based financing and traditional guarantees.

In this context, the role of the following can be enhanced:

- Investment funds directed towards start-ups.
- Venture capital.
- Crowdfunding.
- Investment Islamic finance.
- Profit-and-loss sharing (PLS) financing mechanisms.

The legislator may also consider establishing a special legal framework for innovation financing funds, allowing the direction of financial resources towards high-value-added sectors, especially the digital economy, artificial intelligence, and renewable energies (OECD, 2023; Law No. 22-18).

Furthermore, enhancing the effectiveness of innovative financing requires developing legislation related to intangible assets, allowing their utilization as elements of economic value susceptible to evaluation, financing, and investment, similar to what is practiced in many advanced economic systems (de Soto, 2000; Merrouche, 2020).

After the foregoing explanation, it becomes evident that the development of entrepreneurship in Algeria is not merely linked to issuing more legal texts but requires rebuilding the relationship between legislation, institutions, and finance within an integrated vision based on encouraging innovation, enhancing economic initiative, and achieving legal security for investors.

Moreover, the success of future reforms remains dependent on the ability of public and private actors to move from the logic of administrative support to

the logic of building an economic system based on knowledge, competition, and creativity.

Conclusion:

Entrepreneurship has come to represent one of the essential pillars of contemporary economic development. The Algerian legislator has realized this fact by adopting significant legislative and institutional reforms in recent years, primarily embodied in updating the legal framework for investment, establishing the self-employed entrepreneur system, enhancing the start-up ecosystem, and developing the monetary and banking legislation.

However, this study has revealed, through critical analysis of relevant legal texts, that the effectiveness of these reforms still faces structural challenges. The most prominent of these are the gap between legal texts and the requirements of practical application, the persistence of certain regulatory and institutional imbalances, as well as the limited suitability of part of the financing system for the specificities of innovative projects.

At the end of this article, the results reached can be summarized, followed by proposing a set of recommendations that we believe are important to consider by specialists and decision-makers, as follows:

First: Results Reached

The study reached a number of scientific results, the most important of which are:

1. There is a lack of coherence between the various legal texts regulating entrepreneurship, leading to fragmentation in the general legal policy of the field.
2. The continued dominance of the traditional logic of financing based on in-kind guarantees, which limits the financing opportunities for innovative projects.
3. The weak ability of support and accompaniment bodies to transform projects from the idea stage to the stage of actual production of economic value.
4. The existence of a clear gap between declared legislative incentives and mechanisms for field implementation, especially at the banking and administrative level.
5. The current legal environment tends to reproduce low-risk traditional projects rather than supporting high-value innovative projects.
6. The effectiveness of entrepreneurship is not linked to the number of legal texts, but to their integration and ability to create realistic economic and legal incentives.

Second: Recommendations

Based on the previous results, the study recommends the following:

1. The necessity of reformulating the legislative framework for entrepreneurship in Algeria to achieve **harmony and integration between investment laws, monetary and credit laws, and start-up laws**.
2. Developing the financing system by introducing alternative financing formulas based on **profit-and-loss sharing (PLS)** instead of relying solely on traditional debt.
3. Broad legal recognition of intangible assets (innovation, software, patents) as economic guarantees susceptible to financing and pledge.
4. Restructuring support and accompaniment bodies to transform them from administrative institutions into **actual incubators for innovative projects** with a strategic economic role.
5. Strengthening the principle of legal security by simplifying administrative procedures and ensuring the stability of legal rules governing investment.
6. Supporting integration between the university and the economic sector through legal mechanisms allowing the transformation of scientific research into economically viable projects.
7. Encouraging the establishment of special legal frameworks for innovative projects that take into account their specificities in terms of risk, nature of financing, and evaluation mechanisms.

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