



Legal and Institutional Support for the Contracting System in Algeria

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Abstract:

Entrepreneurship in Algeria has been known to be among the most critical systems implemented by the government in order to attract investments, create job opportunities, and lower unemployment levels. The state has put measures in place which include creating a legal and institutional environment that supports entrepreneurs starting from when they have their ideas through to the development of their businesses. It is therefore safe to say that entrepreneurship has played a very critical role in development since the government relies on it in order to meet certain objectives. This is due to changes taking place globally in terms of economics. The recent years have seen some of the most significant changes that have taken place in the agencies responsible for offering support to entrepreneurs, and state has moved from a logic of simply supporting employment to a logic of building an integrated entrepreneurial ecosystem based on financing, support, training, innovation and digitalization.

Keywords: Entrepreneurship; Entrepreneur; Legal support; Institutional support.

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**Introduction :**

The trend toward supporting entrepreneurship in Algeria has garnered increasing attention in recent years, particularly with the growing number of university students and aspiring entrepreneurs seeking opportunities for investment and self-employment.

To ensure the success of this initiative, the Algerian government has worked to provide comprehensive legal and institutional support designed to assist entrepreneurs at various stages of establishing and managing their projects, legal support consists of enacting a set of laws and regulations that streamline the procedures for establishing businesses and grant tax and financial incentives, in addition to establishing legal frameworks specific to startups and self-employed entrepreneurs. Institutional support, meanwhile, takes the form of specialized agencies and bodies such as the national agency for the support and development of entrepreneurship, project financing funds, business incubators, and others.

Consequently, a study of the legal and institutional support for the entrepreneurial system in Algeria is of great importance, as it highlights the extent of the state's contribution to creating an environment conducive to investment and initiative, and allows for an assessment of the effectiveness of the mechanisms adopted to promote an entrepreneurial culture and achieve economic and social development.

The topic of legal and institutional support for entrepreneurship in Algeria raises numerous issues for study and analysis, the most important of which is:

To what extent have legal and institutional support contributed to the development of the entrepreneurship system in Algeria and the achievement of its economic and social objectives?

This main issue gives rise to a series of sub-questions, including:

-What is meant by entrepreneurship under Algerian law ?

-What are the most important laws and regulations governing entrepreneurship in Algeria? What is the role of the relevant agencies and institutions in supporting and financing entrepreneurial projects? How effective are these support mechanisms in encouraging young people to start their own businesses ?

This study addresses these issues by employing a descriptive approach to define entrepreneurship and its importance, and an analytical approach to detail the support provided for entrepreneurship in Algeria, including both legal and institutional support.

This study is divided into two sections:

The first section addresses the conceptual framework of entrepreneurship and its importance under the Algerian legal system.

The second section focuses on legal and institutional support for entrepreneurship in Algeria.

THE FIRST TOPIC : The Concept and Importance of Entrepreneurship Under the Algerian Legal System.

Legal systems worldwide have focused on the contracting system as one that is both modern and traditional at the same time, similar to the various jurisprudential opinions that have offered different definitions of contracting. This underscores the importance of this system across various fields and the fact that its benefits extend to the individual, society, and the state. Therefore, in the first section, we will attempt to clarify the concept of contracting based on both



jurisprudential and legal opinions, and then, in the second section, we will explain the importance of this system at the economic, social, and other levels.

FIRST REQUIREMENT: The Concept of Contracting

The concept of contracting was defined both linguistically and terminologically, followed by an explanation of the Algerian legal approach to this system, which did not define contracting in and of itself but rather in terms of its objectives.

Firstly: The Linguistic Definition of Entrepreneurship

The term “entrepreneurship” was first used in the 16th century in French as “Entrepreneuriat,” derived from the English word “Entrepreneurship,” which refers to the leadership of workers and emphasizes the idea of developing and establishing certain activities.

Secondly: The Terminological Definition of Entrepreneurship

Allain Fayolle defined it as a specific situation through which economic and social wealth is created, characterized by an openness to change, shared risks, initiative, and individual involvement. It is also characterized by uncertainty—that is, the presence of risk—and involves individuals who must exhibit specific behaviors.¹

Fillis and Rentshler describe it as “entrepreneurship,” a term defined by the Organization for Economic Cooperation and Development (OECD) as: “the result of any human endeavor undertaken with the aim of generating value through the creation or development of an economic activity aimed at identifying and exploiting new products, processes, or markets.”²

Other authors define it as “the process through which individuals recognize that owning their own business is a viable option or solution, consider the ventures they could launch, learn the process of becoming an entrepreneur, and proceed to establish and launch a business.”³

As for Algerian legislation, there is no single, comprehensive definition of entrepreneurship; however, various laws address it through regulatory frameworks. For example, Law No. 01-⁴ 18 serves as the legislative framework for defining small and medium-sized enterprises (SMEs), startups, and self-employed entrepreneurs. Article 04 defines small and medium-sized enterprises as entities that produce goods and/or services, employ between 1 and 250 people, and have an annual turnover not exceeding (2) billion dinars, provided they meet the criteria for independence.

We conclude that entrepreneurship is legally regarded as an independent economic unit engaged in production or service activities within a regulated framework.

Entrepreneurship is also defined as a purpose-driven social unit, consisting of human, material, and intangible elements, aimed at generating wealth while accepting the risk of failure.⁵

Based on the above definitions, it is clear that entrepreneurship has three dimensions: creativity, risk-taking, and initiative:

- **Creativity:** Seeking new opportunities.
- **Risk-taking:** Capitalizing on an existing opportunity while accepting responsibility for failure and its costs.
- **Proactivity and initiative:** These relate to getting things done through perseverance and the ability to adapt.

Entrepreneurship can therefore be defined as an activity that seeks to innovate, organize, and reorganize economic and social mechanisms and utilize specific resources to achieve satisfactory financial and personal results, while accepting the risk and possibility of failure, as well as the



potential for various financial, psychological, and social risks... Ultimately, the goal is to create something unique and generate value by dedicating the necessary time and effort to that end.

The main aspects of entrepreneurship are defined as follows:

- It is the process of creating something new and valuable;
- The allocation of time, effort, and money;
- Bearing the various risks associated with taking risks;
- Reaping the rewards resulting from taking risks;
- A spirit of initiative despite the possibility of failure.

SECOND REQUIREMENT: The Importance of Entrepreneurship

The importance of entrepreneurship lies in the ability to identify and foster behavior aimed at capitalizing on opportunities to achieve valuable outcomes. Therefore, entrepreneurship requires exceptional, creative, and adventurous individuals who have the ability to recognize and seize opportunities,⁶ and its importance can thus be assessed on both economic and social levels.

Firstly :The Importance of Entrepreneurship on the Economic Level

The entrepreneurial system works to restructure and shape the economic fabric by creating new based on creative ideas that respond to market needs. These enterprises typically take enterprises sized businesses, which in recent decades have come to drive -the form of small and medium advanced economies.

Entrepreneurship also helps markets and break the monopolistic maintain competition in the practices of large corporations through creativity and innovation.

Entrepreneurship has also come to play a vital role in advancing economies and achieving spond to rapid changes in the significant growth rates due to its flexibility and ability to re economy.

Secondly:The Importance of Entrepreneurship at the Social Level

Entrepreneurship works to improve individuals' standard of living by creating job opportunities and reducing in average per capita income unemployment, which leads to an increase.

Entrepreneurship also supports social justice and the redistribution of wealth among members of society through its geographic spread, which allows access to various sectors and activities, At urban migration by providing individuals with multiple -to-uralthe same time, it helps reduce r opportunities to find employment without having to move to cities where large corporations—which are difficult to gain employment with—are located. For this reason, entrepreneurship stabilizing factor for the population due to serves as a its ability to operate in various sectors and locations.

It also works to empower women, as entrepreneurship is one of the most important means through which women can demonstratetheir potential nd leadership and open up in business a professional horizons that go beyond the confines of household chores,thereby strengthening their role in the national economy.⁷

THE SECOND TOPIC : The Legal and Institutional Framework of the Entrepreneurship System in Algeria



The legal framework for entrepreneurship in Algeria has undergone numerous developments, particularly in recent years following the launch of a startup initiative and support programs for university students to enter the labor market.

FIRST REQUIREMENT: Stages Of Development of the Legal Framework for Entrepreneurship in Algeria

The entrepreneurship system in Algeria has gone through several stages, each of which has contributed to fundamental changes in various aspects of the system. These stages are as follows:

Firstly Sized Enterprises Before-The Status of Small and Medium : 1988

After independence, the Algerian regime pursued a socialist orientation, which led to the public sector dominating the private sector; consequently, the construction sector was characterized -by public sector dominance in the establishment of enterprises until 1980, when the private sector was relatively reinstated and the policy of prioritizing large-scale manufacturing industries at the expense of light and medium-sized industries was reversed. Consequently, numerous laws were enacted that affected the framework for small and medium-sized enterprises, including laws related to investment (the Law dated August 21, 1982), or those concerning the organizational and financial restructuring of economic enterprises (Decree No. 242/80 dated October 4, 1980), and measures related to the autonomy of enterprises (Decree No. 192/88 dated October 4, 1988).⁸

Secondly: Reforms Adopted After 1988 Sized -and Their Impact on the Small and Medium Enterprise Sector

1-Following the collapse of oil prices on world markets in 1986 and the decline in the state's hard currency revenues, the state resorted to implementing a series of reforms related to the autonomy of public enterprises and established holding funds tasked with holding ownership rights in these enterprises on behalf of the state; the state itself became a shareholder in these enterprises without managing them, and economic entities governed by commercial law and financially independent of the state emerged.

This period saw the development of the small and medium-sized enterprise sector in certain industries, and some were negatively affected—particularly those engaged in productive activities—following the enactment of the 1990 Monetary and Credit Law, the liberalization of foreign trade, and the liberalization of prices, especially exchange rates, along with the accompanying depreciation of the national currency and increased exchange losses for small, medium, and large economic enterprises. The Investment Law was enacted via Legislative Decree No. 10/05 of 1993, which aimed to promote investment, provide greater freedom and equality among domestic private and foreign investors, reduce the time required to review applications and finalize contracts, expedite transfers, and strengthen guarantees... etc. Similar measures continued after 1993, having a significant impact on small and medium-sized enterprises.⁹ In 1991, Algeria established a deputy ministry responsible for small and medium-sized enterprises, which was then transformed into the Ministry of Small and Medium-Sized Enterprises and Industries in 1993 to promote these enterprises and oversee their strategic management.

2: The Development of Sized Enterprises Since-Small and Medium 2001

Algerian lawmakers have implemented numerous reforms related to the private sector in general and small and medium-sized enterprises in particular, and have worked to reduce the



difficulties facing entrepreneurship, especially following the enactment of Investment Development Law No. 01-03, which established numerous structures to support investment by both nationals and foreigners, and Law No. 01-18, which includes the Framework Law for the Promotion of Small and Medium-Sized Enterprises.¹⁰

3: Recent Ministerial Amendments to the Entrepreneurship System in Algeria

Following based economy-the shift toward a knowledge driven by global transformations, the Algerian government has sought to foster startups and encourage university graduates in particular to pursue this path by providing facilities, financial support, and moral encouragement to these enterprises. This effort culminated in the issuance of:

a-Executive Decree No. 20-254:

This decree establishes a national committee to grant the “Startup” designation, evitavonnI“ Project,” and “ive is the culmination of numerous efforts and Business Incubator.” This initiative studies aimed at establishing the legislative framework and the appropriate body to finance startup entrepreneurs by designating institutions to incubate them under specific conditions, f a specialized committee under the supervision o.¹¹

A startup, as some define it is a young and dynamic enterprise built on technology and innovation whose founder seeks to capitalize on the development of an unknown product or service to create new markets.¹² classifying an enterprise as a startup are set forth in Article 11 of Executive Decree No. 254-20 as follows:

- The enterprise must be subject to Algerian law;
- The company must not be more than eight (08) years old;
- The company’s business model must be based on products, services, a business model, or any innovative idea- Its annual revenue must not exceed the amount set by the National Commission
- At least 50% of the company’s enterprises capital must be owned by individuals or by others that have been designated as “putrats”;
- The organization must have sufficient growth potential;
- The number of employees must not exceed 250.¹³

These are the same criteria as those for small and medium-sized enterprises.

The conditions for obtaining the “startup” designation are set forth in Article 12 of Decree 20-254, as follows:

The enterprise must submit an electronic application through a dedicated portal, accompanied by digital copies of the following documents:

- register and the tax and statistical identification card A copy of the commercial;
- A copy of the company’s articles of incorporation;
- Employed Persons -Fund for Self A certificate of enrollment in the National Social Insurance along with a list of employees by name Casons;
- of the financial statements for the current fiscal year A copy;
- A detailed business plan for the organization;
- Technical and scientific qualifications and experience of the company’s employees, as well as any intellectual property documents, awards, or honors received.

b-Ministerial Decision No. 1275:



Dated September 27, 2022, which sets forth the procedures for preparing a draft graduation thesis to obtain a university degree—Startups by students at institutions of higher education—to foster a generation of entrepreneurial students who have the ability and desire to pursue innovative entrepreneurship and create startups that generate wealth and jobs—profitable ventures based on the foundations of innovation and technology—with the goal of developing technical, or technology, or digital solutions for existing organizations or independent entities.¹⁴

Students who prepare a graduation thesis project to obtain a university degree—a startup—after presenting and discussing their projects before an academic committee and experts in their field of specialization, will receive a university degree and a startup diploma, with the goal of at least obtaining the “L’Abel Innovative Project” designation. The administration of university business incubators then works to support projects that have received the “L’Abel Innovative Project” designation, facilitating their immediate transition into startups certified with the “L’Abel” label by the National Committee for the Awarding of the L’Abel Label.”¹⁵

It is clear, therefore, that the Algerian government is focused on supporting students and opening up investment opportunities for them by creating this investment environment, which culminates in students establishing their own businesses and operating within a legal framework that is both permissible and conducive to profitability. As a result, many students have graduated with the “L’Abel” designation, which will open up opportunities for them to invest in their own businesses—a significant contribution to the modern national economy. This marked the beginning of a series of subsequent supportive decisions aimed at providing students with sufficient opportunities to create wealth.

c-Ministerial Decision No. 008, issued on February 23, 2025:

The transition from a startup project to an economic enterprise project. The amended decision **February** issued on **23, 2025**, introduced several important changes to Ministerial Decision No. 1275¹⁶, most notably:

- Changing the name of the certificate from “Startup Patent” to “Entrepreneurship Certificate.”
- Restructuring the graduation thesis so that it includes one of two formats: part thesis—a two—of an economic technical report a theoretical section and an applied section in the form—or a thesis with entirely applied content that includes a business model and a business plan.
- Including mandatory components in the preparation of the business model, marketing, accounting, and finance to enhance students’ economic competence .
- Allow international students enrolled in Algerian universities to benefit from this program.
- Establish a “mentoring unit” within universities to guide students in transforming their ideas into viable economic projects.
- discussion committees to include experts in entrepreneurship Restructure the, university incubators, and representatives of economic and social partners.
- Foster partnerships with the private sector to enable students to develop their projects in a real-world economic environment.¹⁷

Strategic Objectives of the Proposed Amendments to the Entrepreneurship Program

Through the aforementioned amendments, the Algerian government has sought to achieve several objectives that we can infer from previous decisions. The most important of these is strengthening the economic dimension of student projects by bridging the gap between academic



education and the job market, with a focus on business models and technical-economic skills, thereby making students better equipped to tackle the real challenges of entrepreneurship. The amendments also aim to attract investment and stimulate innovation by involving representatives of the business sector and social partners in committees that discuss projects, which will help finance promising projects and transform them into successful companies. These amendments also underscore the national shift toward the digital economy to keep pace with global changes.

SECOND REQUIREMENT: Agencies and Institutions Specializing in Supporting Entrepreneurship in Algeria

The Algerian government has placed great importance on the entrepreneurship sector in terms of its structural and institutional aspects, and has regarded it as one of the pillars of the transition sized enterprises -has worked to encourage small and medium to a market economy. The state through a range of programs, policies, and specialized agencies designed to support this sector, with the aim of fostering and developing the dynamism of business creation, thereby national development. Among the most important of these agencies are the contributing to following.

Firstly: National Unemployment Insurance Fund

The National Unemployment Insurance Fund was established pursuant to Executive Decree .No 188-94 dated July 6, 1994. covers The Fund:

All production and service activities, with the exception of resale without processing the product.

Activities in the agricultural, fishing, and irrigation sectors, as well as in all encouraged special zones, the southern provinces, and the High Plateaus are.¹⁸

Benefits offered by this program:

- ❖ free advance-An interest.
- ❖ Personal guidance from a designated advisor through:
 - Consulting and assisting young people in setting up their projects;
 - before the selection and Support for young entrepreneurs during their appearance accreditation committee;
 - Advice and assistance during the project's implementation and launch phases.
- ❖ Financially, the fund provides the following financial assistance:
 - Reduced bank interest rates;
 - financing covering Assistance in obtaining bank 70 percent of the project's total cost .

Secondly: National Agency for Youth Employment

National Agency for Youth Employment is a national public agency established in 1996 that began operations in the second half of 1997. The agency supports unemployed youth between the ages of 19 and 35 and has provided numerous benefits, such as funding not exceeding 10 million dinars, It has also entered into agreements with numerous Algerian universities to support students and assist them with their development projects.¹⁹

Thirdly: National Agency for Microcredit Management

Established by Executive Decree No14-04 dated January 22, 2004, the agency sets the following requirements for those wishing to obtain a microloan²⁰:



Legal and Institutional Support for the Contracting System in Algeria.

- Be at least 18 years of age
 - The project owner must possess qualifications attested by diplomas or work permits
 - representing A personal contribution from the project owner 10% of the total project cost to cover loan default risks- Enrollment in the microcredit social insurance guarantee fund
 - .Not participating in social networks or other microloan programs
- they may choose the financing model they If the loan applicant meets all these conditions, they deem most suitable, of which there are three: Binary Financing: free advance not -An interest exceeding 30,000 DZD.
- C free-ontribution from the agency, interest 90%;
 - Beneficiary's contribution 10%.
 - ❖ Binary financing: or projects valued between 50,000 and 100,000 DZD:
 - :Bank contribution 95% or 97%, with interest reduced by 80% to 90%;
 - Beneficiary's contribution: 3% or 5%.
 - ❖ Tripartite financing for projects valued between 100,001 DZD and 400,000 DZD:
 - :Bank contribution 70%, with interest reduced by 80% to 90%;
 - Beneficiary's contribution 3% or 5%;
 - :Agency contribution 25% or 27%, free-interest.

The National Microcredit Management Agency does not only provide financial assistance to financial support, such as guidance and assistance in all aspects f-beneficiaries; it also offers non .of the technical and economic feasibility studies for the project²¹The Agency also works to provide training in financial literacy and business management, as well as giving beneficiaries e opportunity to participate in trade shows and exhibitions where they can network, gain th diverse experiences, and explore new avenues for marketingtheir products.

Fourthly: Investment Promotion and Monitoring Agency

Monitoring of Investment was established as a The Agency for the Promotion and government body under the authority of the Prime Minister pursuant to the Investment Law of 1993. Since the enactment of the Investment Law in August 2001, APSI has been replaced by the National Agency for Investment Development, which is a public institution of an administrative nature, with legal personality and financial independence. It was established by Law No. 03-01 dated August 20 2001, stop shop operating across-as a single, decentralized one 58 vinces nationwide. The agency is authorized to carry out all procedures related to the pro establishment of enterprises and to facilitate the implementation of investment projects, which restructuring of may take the form of establishing new enterprises, the rehabilitation and enterprises, partial or full participation in the privatization of certain public enterprises, the expansion of production capacity, and participation in a company's capital.²²

Numerous tasks have been entrusted to this agency, including:

- ‘ Ensuring the promotion, development, and monitoring of investments
- Receiving, informing, and assisting domestic and foreign investors;
- stop shop that brings -Facilitating procedures related to project establishment through a one-
‘tive departments relevant to investmenttogether all administra
- ‘ related incentives in accordance with applicable regulations-Granting investment
- ‘Managing the Investment Support Fund



- ‘Ensuring that investors comply with the terms and conditions governing investment
- and tracking investments to ensure they are carried out in accordance with the Monitoring ‘specified conditions
- Providing customs facilities for means of production and raw materials within the specified . timeframe

The Agency’s regulations related to investment and Stop Shop encompasses all tools and One provides the necessary administrative services in coordination with the agencies and bodies involved in the establishment of enterprises. The Agency brings together representatives from ly involved in investment, including the National Commercial institutions and bodies direct Registry, tax directorates, real estate agencies, local project support and promotion committees, housing and urban development directorates, the Employment Directorate, the Treasury and the relevant municipalities. These entities are represented within this ‘Directorate one-stop shop to streamline and facilitate company incorporation procedures and ensure decentralization in the implementation of projects at the level of their respective province .

Fifthly: The National Agency for the Development of Small and Medium-Sized Enterprises

Established by Executive Decree No. 165/05 dated May 3rd 2005, to oversee the National Fund, which is supported by a budget of 386 billion dinars and is responsible for the development of Small and Medium Sized Enterprises. It is a public administrative institution with legal personality and financial autonomy, operating under the supervision of the Ministry of Industry, Small and Medium Enterprises, and Investment Promotion.

It serves as the state’s instrument for implementing the national policy for the development of sized enterprises; as such, it works to implement the sectoral strategy for small and medium sized enterprises, to implement and monitor the -strengthening and developing small and medium Sized Enterprises, to encourage -National Program for the Development of Small and Medium ‘consulting services to enterprises intangible investment, as well as to provide expertise and demographic monitoring of SMEs in terms of establishment, closure, and changes in activity; conducting studies on economic sectors and periodic situation reports; and collecting, utilizing, nformation in the field of SME activity and disseminating specific i.²³

The Agency’s Mission:

- sized enterprises -Developing the national program for the development of small and medium and ensuring its implementation.
- sized enterprises -Promote training programs and consulting services for small and m.
- Assessing the suitability and progress of the sectoral program’s implementation and proposing the necessary reforms if the desired results are not achieved.
- of small Conduct periodic studies on the growth trends and common characteristics and sized enterprises -medium.
- Collect, utilize, and disseminate information regarding the activities of the small and sized enterprise sector -medium.
- Enhance public relations with relevant institutions and organizations and leverage sized enterprises, as well as -technological innovations for the benefit of small and medium technological advancements in media and communications.



- building programs at the -Establishing relationships with sectors involved in various capacity sized enterprises-l and mediumlevel of smal. ²⁴

2- Forms of financial support provided by the Agency:

The support provided by the Agency consists of:

Costs of comprehensive strategic assessment-a: This includes the rehabilitation plans that the e as a first step before the rehabilitation program is implemented, which enterprise must undertak may require the services of specialized national and international consulting firms to carry out .this work

Preliminary assessment-b: The cost of the assessment is 500,000 Fund DZD; the's grant covers 80% of the total cost, or 400,000 DZD.

Diagnosis-c: Cost of the diagnosis is 2,500,000 DZD; the Fund's grant covers 80% of the total cost, i.e 2,000,000 DZD. : Investment costs

- **Intangible investment costs:** he competitiveness of enterprises, those intended to enhance t such as research and development studies, training, and the implementation of management control systems—including cost accounting and information systems.

State support is capped at 3,000,000 DZD,as follows :

- 80% enterprises with a turnover of up to for 100 million DZD. ²²
- 50% for organizations with a turnover between 100 and 500 million DZD.
- In addition to various benefits offered when taking out bank loans(reduced interest rates).
- investments Costs of productive capital: such as production equipment, storage equipment, maintenance equipment, laboratory equipment and measuring instruments, communications and computer equipment, and equipment and installations specific to production machinery, such as: out of production units, and related-tion and air conditioning systems, the fitrefrigera civil engineering and public works. ²⁵

State support is capped at 150000 DZD, as follows:

- 10% if the turnover exceeds 100 million DZD;
- h reduced interest rates on loansIn addition to banking incentives through;
- Priority technical consulting costs: In this case, funding is provided by the institution, and state support is capped at 30,000,000 DZD,in addition to bank loans, which are subsidized up to 2.5%;

he field of technology and information systemsCosts of projects in t: State support is capped at 15,000,000 DZD, as follows:

- 40% of the total amount is covered by the government, or approximately 6,000,000 DZD;
- The remainder, or 9,000,000 itself or through a bank loan DZD, is covered by the institution with a subsidized interest rate of 4%;
- Costs of investments in training and general oversight.

❖ **In the area of training:** The investment in this area is 500,000 DZD.

State support amounts to 80%, or approximately 400,000 DZD.²³

❖ **up-In the area of specialized follow:** The investment in this area is 1,000,000 DZD, with state support at 80%or up to 800,000 DZD; the remainder is financed by the institution itself or through a bank loan.

❖ **In the area of certifications:** investment amount in this area is The 5,000,000 DZD, and the state subsidy is 20%or 1,000,000 DZD; the remainder is financed by the enterprise itself or through a bank loan



-Application Submitted to the National Agency for the Development of Small and Medium : Sized Enterprises

- Sized -Application to join the National Program for the Development of Small and Medium Enterprises and to receive support.
-) Copies of the financial statements for the past two years(Balance Sheet, Liabilities, Assets)
- rprise information form provided by the Agency, along with a copy of the A completed ente valid commercial registration certificate and copies of tax identification certificates(CNAS, CASNOS, CACOBATPH).²⁶

The government's commitment to the small and medium-sized enterprise (SME) sector is evident through various institutions and the legal framework established by legislative bodies, which encompasses all legal procedures and mechanisms aimed at implementing programs related to the SME sector. The tangible results of this focus are evident in the growing number of small and medium-sized enterprises nationwide.

Sixthly: The National Agency for the Support and Development of Entrepreneurship

This is a special-purpose government agency that replaced the ANSEJ and operates under the supervision of the Ministry of the Knowledge Economy and Start-ups. established by Executive Decree No. 96-296 dated September 8, 1996,²⁷ , which provides for the creation of the National Agency for the Support and Development of Entrepreneurship and defines its basic charter, as amended and supplemented by Presidential Decree No. 22-42 of 2022,²⁸ This agency is responsible for managing a system with an economic approach aimed at supporting start-ups and microenterprises. The agency seeks to develop projects for the creation and expansion of microenterprises in the production of goods and services, with the goal of creating jobs and fostering sustainable wealth creation. The agency's mission centers on the following core activities:

- Supporting the establishment and development of micro and small businesses—facilitating access to financing and markets
- Providing support and consulting services to professionals in the construction sector.²⁹
- Developing relationships with partners and stakeholders such as banks, the tax authority, and the Social Security Fund.
- Developing partnerships across various sectors to identify investment opportunities.
- Training entrepreneurs at entrepreneurship development centers.
- Providing remote support and follow-up for microenterprises established by entrepreneurs.³⁰

This agency is the closest to entrepreneurs and aligns with the new ministerial amendments regarding the establishment of micro-enterprises. It provides ongoing support to entrepreneurs and guidance throughout their business operations, and it is particularly relevant to students, especially in terms of the requirements for entrepreneurs that we will discuss.

Eligibility Requirements for Entrepreneurs

To benefit from the privileges granted by the agency, the entrepreneur must meet the following requirements:

- The individual must be between 18 and 55 years of age.
- The individual must hold a diploma or professional certification and/or possess skills recognized by a certificate or any other professional document.
- The applicant must complete the training provided by entrepreneurship development centers.



- The applicant must make a personal contribution in the form of private funds at a level that meets the specified minimum.³¹

These conditions make it clear that a wide range of citizens are eligible to establish a microenterprise, given the broad age range permitted, as well as the availability of training designed to create more effective enterprises in the fields in which the training is provided, thereby ensuring quality and expertise in the work.

Seventhly: Private Business Incubators

Private incubators are a living example of collaboration between the private sector and startups, and they play a vital role in promoting entrepreneurship and stimulating innovation in society by creating the right environment for ideas to grow and supporting young entrepreneurs.

They first appeared in the United States in 1959, while in Algeria they emerged in 2020, when organizations working to support and mentor startups in Algeria became eligible to obtain the “Incubator” label, or “Label Incubateur,” and benefit from its advantages, which include:

- Tax exemptions for two years from the date of certification (LF 2021)
- Access to government grants
- Facilitated access to land grants and concessions³²

Registration for the label is done by submitting applications for the “Incubator” label to the National Committee via the online startup portal.³³

Incubators applying for the “Incubators” trademark in Algeria are tasked with supporting the hosted startups throughout the incubation period. Under this mandate, the incubator is required to:

- Assist startups in developing prototypes.
- Support the hosted startups in seeking funding sources and expanding into the market.
- Assist entrepreneurs with company formation procedures.
- Assist startups in preparing business plans, market studies, and financing plans.
- Provide specialized training, including in business management, legal obligations, and accounting.
- Providing logistical support to entrepreneurs, such as meeting rooms, IT and office equipment, and high-speed internet access.
- Providing a headquarters for hosted startups and offering them equipped workspaces.³⁴

Conclusion:

Legal and institutional support is a fundamental pillar for the development of entrepreneurship in Algeria, as it helps create an environment conducive to business creation, stimulates individual initiative, fosters innovation, supports economic development, and creates job opportunities. Furthermore, recent legal amendments are of great importance in this area, as the impact of new decisions and amendments is clearly evident. From the foregoing, we can conclude the following:

- The impact of the entrepreneurship system is evident on the labor market, production, and development across various sectors.
- The impact of the entrepreneurship system is evident among students and in entrepreneurship, as it has helped enhance students' launch their own opportunities to projects.



- Entrepreneurship has contributed to the development of universities as centers of innovation
- The entrepreneurship system sized enterprise (SME) -has supported the small and medium sector
- The entrepreneurship system, particularly in conjunction with the new ministerial reforms, has helped improve the international rankings of Algerian universities

Despite these efforts, improving the effectiveness of the entrepreneurship system requires addressing es, including potential and existing challenge: a lack of entrepreneurial culture among some students; entrepreneurs facing a shortage of funding; and the need for entrepreneurs to receive more practical training, rather than solely technical and academic training

Therefore, the following recommendations can be made

- Raise awareness through campaigns both on and off campus, and incorporate specialized courses on entrepreneurship into university curricula.
- funding Encourage partnerships with the private sector and banks, and launch government programs to support promising projects.
- Increase internship opportunities through collaboration with local and international companies.
- Continue to streamline legal and regulatory procedures for entrepreneurs and startups.
- Expand mentoring and training programs not only during the startup phase but also beyond, to ensure the success of the enterprise.

Including search results, recommendations or suggestions

Footnotes

¹ Anwar Makrani, Entrepreneurship, Lectures for Second-Year Master's Students, Department of Sociology, Faculty of Humanities and Social Sciences, Mohamed Lamine Debaghine University of Setif 2, (no year of publication), p. 9.

² Ouennoughi Sid-Ali, "The Role of Support Structures within Universities and Institutional Arrangements for the Promotion of Student Entrepreneurship in Algeria: The Case of the University of Algiers 3," Algerian Journal of Human and Social Sciences, Vol. 11, No. 01, 2023, p. 618.

³ Ibid., p. 617.

⁴ Law No. 01-18 dated December 12, 2001, containing the Framework Law for the Promotion of Small and Medium-Sized Enterprises, Official Gazette No. 77, published on December 15, 2001, p. 5.

⁵ Lakli, Nadia, and Amarna Messaoud, "The Concept of the Enterprise in Algerian Competition Law (Between the Legal and Economic Concepts)," International Journal of Law: "Law and World," Vol. 10, No. 3, p. 3.

⁶ Zitouni Houaria, Pedagogical Textbook on Entrepreneurship, intended for first-year master's students specializing in Labor Economics, Faculty of Economic Sciences, University of Tiaret, Academic Year 2021–2022, p. 17.

⁷ Ibid., p. 18.

⁸ Mohamed Kojil, Study and Analysis of Entrepreneurship Support Policies in Algeria—A Field Study—Doctoral Dissertation, Kasdi Merbah University, Ouargla, 2016, p. 135

⁹ Ibid., p. 136



¹⁰ Siham Ben Daas, op. cit., p. 16

¹¹ Executive Decree No. 20-254 dated September 15, 2020, establishing a national committee to grant the “startup,” “innovative project,” and “business incubator” designations, and defining its functions, composition, and procedures, Official Gazette No. 55, September 11, 2020, <https://www.joradp.dz/FTP/JO-arabe/2020/A2020055.pdf?znjo=55>.

¹² Baouch Dalila, “An Analytical Study of the Provisions of Executive Decree No. 20-254 Establishing a National Committee for Awarding the ‘Startup,’ ‘Innovative Project,’ and ‘Business Incubator’ Designations,” Milaf Journal of Research and Studies, Vol. 9, No. 01, 2023, p. 231.

¹³ Executive Decree 20-254, op. cit.

¹⁴ Decision No. 1275, dated September 27, 2022, specifying the procedures for preparing a thesis proposal to obtain a university degree - A startup founded by students of higher education institutions, available at: <https://istm.univ-setif.dz/Docs/Arrete-1275/Arrete1275-du-27-sept-2022.pdf>, accessed July 12, 2026 (4:58 p.m.).

¹⁵ Article 09 of Decision No. 1275, op. cit.

¹⁶ Decree No. 08, dated February 23, 2025, amends and supplements Decree No. 1275, dated September 27, 2022, which sets forth the procedures for preparing a thesis proposal to obtain a university degree - A startup founded by students of higher education institutions, available at: <https://istm.univ-setif.dz/Docs/Arrete-1275/Arrete008-du-23-fev-2025.pdf>, accessed on July 12, 2026 (5:15 p.m.)

¹⁷ Articles 10 through 9 of Decree No. 008, op. cit.

¹⁸ Abdellah Chachoua and Salima Belhaoues, “An Evaluation Study of the Reality of Policies to Support and Accompany Entrepreneurship in Algerian Legislation,” Algerian Journal of Legal and Political Sciences, Vol. 61, No. 02, 2024, p. 33.

¹⁹ Nassira Kouraich, “The Role of the Entrepreneurial Support Ecosystem in Promoting Entrepreneurship in Algeria,” Les Cahiers Du Cread, vol. 34, no. 2, 2018, p. 87.

²⁰ Executive Decree 04-14.

²¹ Nassira Kouraich, op. cit., p. 87.

²² Abdellah Chachoua and Salima Belhaoues, op. cit., p. 34

²³ Belmahdi Youssef, “An Analytical Study of the Reality of Capacity Building for Small and Medium-Sized Enterprises in Algeria—The Case of Programs by the National Agency for the Promotion and Development of Small and Medium-Sized Enterprises (ANDPME),” *Al-Ibdaa* Journal, No. 01, University of Blida, 2021, p. 473.

²⁴ Article 05 of Presidential Decree 05-165, dated May 3, 2005, provides for the establishment, organization, and operation of the National Agency for the Development of Small and Medium-Sized Enterprises (ANDPME), Official Gazette No. 32, May 4, 2005.

²⁵ Belmahdi Youssef, op. cit., p. 473.

²⁶ Ibid., p. 475.

²⁷ Executive Decree No. 96-296, dated September 8, 1996, Official Gazette No. 51, dated September 11, 1996.

²⁸ Presidential Decree No. 22-42 dated January 19, 2022, concerning support for youth employment, Official Gazette No. 06, January 20, 2022.

²⁹ National Agency for the Support and Development of Entrepreneurship, available at: <https://business.nesda.dz>

³⁰ Ibid.



³¹ Ibid.

³² Private business incubators, Al-Mouqawil, on the website <https://moukawil.dz/knowledgebase/incubateurs-prives/> Accessed on July 19, 2026

³³ <https://startup.dz/pour-les-incubateurs/>

³⁴ Private Business Incubators, Al-Mouqawwal, op. cit.

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